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The dollar in New York:  
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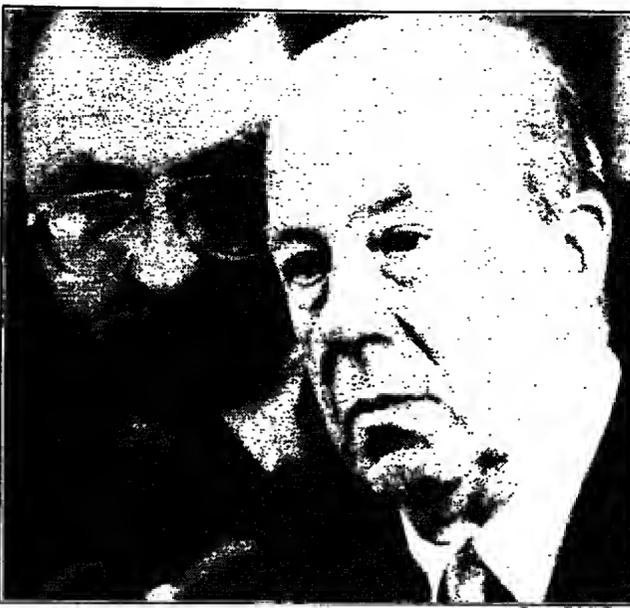
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## Shultz Ends Talks In Moscow Without Date for a Summit

By Gary Lee and Don Oberdorfer  
Washington Post Service  
MOSCOW — Two days of Soviet-American meetings ended here Friday night without the expected announcement of the date for a summit meeting this year in Washington because of last-minute objections by Mikhail S. Gorbachev.  
Secretary of State George P. Shultz, who announced the surprising news at the end of the talks, said Mr. Gorbachev "is apparently not yet satisfied, particularly in the area of space and defense," that arms control progress justifies his visit to Washington.  
The previous U.S. belief, based on many earlier signals from the Soviet Union, was that agreement on a treaty banning medium- and short-range missiles would be sufficient to justify a summit meeting this year.  
Apparently hardening the Kremlin conditions for a Washington summit meeting, the Soviet foreign minister, Eduard A. Shevardnadze, said Friday night that holding such a meeting would require key provisions for reducing strategic arsenals and strengthening the Anti-Ballistic Missile Treaty of 1972.  
In his meeting with Mr. Shultz Friday, Mr. Gorbachev left a small possibility that he would agree to a U.S.-Soviet agreement to hold a summit meeting this fall.  
"I am ready to visit the United States," the Soviet press agency spokesman said. "But so far, I am put on my guard by possible results."  
Mr. Shevardnadze, in a news conference after Mr. Shultz's visit, said, "We get the key provisions, then there will be no problem for a summit and the signing of a treaty on medium- and short-range missiles."  
Mr. Shevardnadze said that the



George P. Shultz with an interpreter during a news conference in Moscow on Friday.

## Reagan Criticizes Congress

Compiled by Our Staff From Dispatches  
WASHINGTON — President Ronald Reagan blamed Congress Friday for part of the trading turmoil on Wall Street, shortly after Democratic congressional leaders welcomed his call for talks on reducing the budget deficit.  
A prominent Democrat had predicted that an accord would be reached.  
"I predict we'll get that agreement," the House Democratic leader, Thomas S. Foley of Washington, said in a broadcast interview.  
Mr. Foley also predicted that the agreement would include a tax increase despite Mr. Reagan's refusal at a news conference on Thursday

## World Markets End Worst Week Ever on Note of Exhaustion

After a week of stomach-wrenching downs and ups, the pace of trading on Wall Street on Friday seemed frankly fatigued. Volume levels, which had been three times their usual level, were manageable again. Volatility was less pronounced, too. When the Dow average ended the day up barely a third of a point, the relief was palpable.  
But other markets were far less settled. The dollar fell sharply, and selling continued on other exchanges. Traders continued to look over their shoulders at New York, and to wonder what the next week would hold.

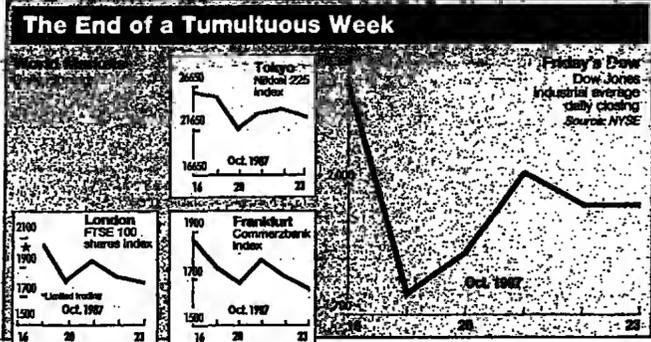
## Dollar Falls Sharply Amid Fears on Pact Dow Edges Higher; Many Stocks Drop

NEW YORK — The dollar retreated sharply Friday in New York and Europe amid rumors that seven leading industrialized nations would meet this weekend to change their so-called Louve agreement to support exchange rates.  
The U.S. Treasury denied the rumors, but the dollar closed in New York at 1.7780 Deutsche marks, down nearly 4 pfennigs from Thursday. The hectic trading was a departure from the steady dealings seen in the currency markets since Wall Street's plunge on Monday.  
Many dealers dismissed the notion that the Group of Seven nations would meet to lower trading ranges for the dollar. They argued that such a move could only aggravate the turmoil in financial markets.  
Also weakening the dollar was disappointment over a news conference Thursday night by President Ronald Reagan. Analysts complained that he failed to present concrete proposals to trim the U.S. deficits.  
Dealers said that both the dollar and the pound were reacting more strongly to events on world stock markets than to "economic fundamentals." They noted that the dollar barely budged, for example, when encouraging reports were released Friday on the U.S. gross national product and the Consumer Price Index.  
Many traders saw room for limited declines in the dollar's value next week. (Page 11)

## Kiosk

### Senate Rejects Bork by 58-42

WASHINGTON (AP) — The Senate voted 58-42 on Friday to reject the nomination of Judge Robert H. Bork to a seat on the U.S. Supreme Court.  
Senate leaders quickly informed the White House, but a spokesman for President Ronald Reagan said a new nominee would not be submitted until the following week, at the earliest.  
Judge Bork, 60, an appeals court judge, became the 26th nominee in U.S. history to fail to gain confirmation to the high court. In the tense debate over his fitness for the court, his status as a formidable legal scholar did not overcome fears that he would not adequately protect the privacy and civil rights of Americans.



## International Stock Sell-Off Continues

International Herald Tribune  
PARIS — Stock prices fell on world exchanges again Friday as investors continued to look over their shoulders at trading in New York.  
In Tokyo, traders who were panicked by a 77-point drop in the Dow Jones industrial average on Thursday swamped the stock exchange with sell orders. The market's key indicator, the 225-share Nikkei stock average, lost 1,203.23 points — its second-largest one-day decline — to close at 23,201.22.  
Share prices on the London Stock Exchange fell sharply but later steadied after major British banks cut their interest rates.  
The Financial Times-Stock Exchange 100-share index, which was down 86.9 points at one point, closed with a 38-point loss, at 1,795.20. The 2.07-percent decline



Wall Street traders check overhead monitors in a volatile market on Friday.



Ozzie Smith and Vince Coleman helped bring St. Louis within one victory of winning the World Series. Page 15.

## Moscow and Budapest Face Up to Harsher Economic Realities

### In Soviet Union, Fears of Rising Prices for Basic Goods

By Celestine Bohlen  
Washington Post Service  
MOSCOW — No sooner had Mikhail S. Gorbachev finished a televised speech about food prices than the telephone rang in a young working woman's Moscow apartment.  
"Don't worry," said her mother. "I have plenty of meat in the icebox for all of us."  
The reaction was not uncommon: Of all the economic changes under discussion in the Soviet Union, price reform has evoked the quickest response and the greatest anxiety among the public.  
People were concerned about price increases before Mr. Gorbachev raised the subject in the Arctic city of Murmansk earlier this month. The Soviet leader said it was a question he heard wherever he went.  
But since the speech, apparently intended as reassurance, the level of worry seems to have risen. There is no visible hoarding, but rumors of imminent price increases are rife. The government newspaper Izvestia printed one reader's comment that Mr. Gorbachev's remarks were "an alarming symptom of isolation from real life."  
So far, two and a half years into the Gorbachev era, much of the Soviet public has not seen any tangible benefits from perestroika, or restructuring, as his reforms are called. Now, with higher prices looming on such basic commodities as meat, milk and bread, many people feel threatened and less inclined to be enthusiastic about his program.  
"I am afraid that in the event of a price hike on food stuffs, people could turn away from perestroika, as they would from a con game," wrote a journalist in Literaturnaya Gazeta this summer. "And then the real opponents of perestroika will raise their heads."  
For years, the Soviet Union has prided itself on the stability of its basic prices: rents last rose in 1928, the price of bread, sugar and eggs in 1954 and meat in 1962. These facts always topped any recitation of the advantages of Soviet life.  
But low food prices — two rubles a kilogram for meat (\$1.41 a pound), 20 cents for a loaf of white bread, 50 cents for a quart of milk — are more than just symbolic for the average Soviet wage earner who now makes the equivalent of \$312 a month. Considering the high cost of clothes — \$101 for a skirt, \$93 for a blouse, \$312 for a coat — these salaries mean that many families are living from month to month.  
According to published figures, more than 40 percent of Soviet families average less than \$156 a

### In Hungary, Unemployment and Income Tax

By Henry Kamm  
New York Times Service  
BUDAPEST — The Hungarian leadership deserves the Nobel Prize for chemistry this year, goes a current joke in this capital, which has long sublimated anger and anguish in bitter quips. The leadership has created a compound of Ethiopian wages and Swedish taxes.  
In a Communist country where the subject has never before come up, the principal topic of conversation is income tax. Starting Jan. 1, Hungarian workers will have to bear a burden that until now in the Soviet bloc has largely been paid by employers.  
A second novelty that 1988 will introduce is substantial unemployment. Mihaly Kupa, head of the Finance Ministry's new secretariat for tax reform, said in an interview that 200,000 Hungarians can expect to be laid off when money-losing state enterprises are disbanded next year.  
In addition, he said, a major revamping of the country's outsize administration will send many others — the number cannot yet be estimated — in search of new jobs. Hungary's labor force is 4.9 million.  
These innovations come at a time of increasing hardship for the 10 million citizens of Hungary, which has considered itself the most comfortable country in Eastern Europe since it embarked on its own brand of communism two decades ago.  
Mr. Kupa said that political democratization was necessary to make economic initiatives work, but he conceded ruefully that with income tax and unemployment, Hungary was starting off with the negative aspects of democratization.  
The current predicament includes a steadily increasing cost of living, double-digit inflation, the highest per-capita foreign indebtedness in Europe and a flow of statements from the government that things will get worse before they can get better.  
"There will be a general decline in living standards in 1988," said Mr. Kupa, whose ministry is struggling to put into effect a three-year "stabilization program" of austerity through which the government of Prime Minister Karoly Grosz hopes to set the stage for an economic revival.  
The key measures are the introduction of a personal income tax for all wage-earners and a value-added tax on most goods and services. In presenting them to the Orszaggyules, the National Assembly, last month, Finance Minister Peter Medgyessy said the goal was not to raise additional

## U.S. and Britain Set Back Clock This Weekend

Compiled by Our Staff From Dispatches  
The United States will move off daylight-saving time and return to standard time this weekend, turning clocks back an hour at 2 A.M. Sunday.  
Clocks in Britain also will be set back an hour at 2 A.M. Sunday as the country returns to Greenwich Mean Time.  
The change in Britain follows by nearly a month the move back to winter time by other West European countries.  
Daylight-saving time in the United States starts on the first Sunday in April and ends on the last Sunday in October. Not every state observes the practice. Hawaii, Arizona, the Eastern time zone portion of Indiana, Puerto Rico, the Virgin Islands and American Samoa are excluded from having to make the change.

# In Jaffna, Uncertainty Rules

## Indian Claims of Success Against Tamils Are Contradicted

By Steven R. Weisman  
New York Times Service

COLOMBO, Sri Lanka — Nearly two weeks after Indian troops began their assault on a Tamil rebel stronghold in Sri Lanka, accounts about the operation have become contradictory, uncertain and confused.

Despite statements by India that the operation is achieving military success, there is growing evidence that the operation has failed in areas claimed to have been secured.

Although India continues to assert that civilian casualties have been minimal, Tamil moderates who do not sympathize with the guerrillas say civilian casualties are high.

Questions about the siege of the northern city of Jaffna are being raised almost daily by various Tamil spokesmen, some Sri Lankan officials, witnesses and some journalists, despite regular Indian briefings.

Accounts of the fighting cannot be verified because the Sri Lankan government and Indian Army authorities have barred reporters from the battle locations.

Thus it has been impossible to ascertain independently the number of casualties, of refugees or even the number of Tamils fighting. No one is sure where the guerrilla leaders are. There have also been several unofficial reports that a negotiated settlement might be imminent, but no such agreement has materialized.

"As of now, the Indian Army assault is causing more problems than it is solving," said Neelan Tiruchelvam, a moderate Tamil leader. "India is risking the alienation

of the moderate Tamils who enthusiastically supported the Indo-Sri Lanka accord." He was referring to the July 29 agreement that called for the introduction of Indian troops to disarm the Tamil rebels.

Tamil claims have been contradictory. Two days ago, a spokesman in London for the Liberation Tigers of Tamil Eelam, the guerrilla separatist group, circulated a letter from 14 Jaffna civil servants saying that 700 civilians had died. But Thursday, Tamil representatives said the number was actually 200.

Recently, Tamil spokesmen have said that Jaffna was nearly deserted. But other Tamil reports say thousands of refugees have been streaming into the city.

India asserted Thursday that 129 of its troops had been killed and 383 wounded since the battle for Jaffna began. Tamil representatives say the figure is much higher. India has declined to estimate the number of civilian casualties.

Laxmi Puri, the Indian spokeswoman, said Indian troops had gained control over "large sections" of Jaffna, and she pointed to an area in the south and west of roughly 40 percent of the city.

But Tamil leaders in Colombo

said they received reports from Jaffna that there was a lull in the battle Thursday and that some areas that the Indians claimed to control were not secured.

Some Indian officials have described the operation as a "noose" tightening around Jaffna, with 2,000 Tamil rebels possibly being trapped in the center.

More recently, reports from Jaffna suggested that guerrillas had been moving in and out of the central area even as the Indian Army has closed in. Three journalists, including a British reporter for the BBC, were escorted to the center of the city on Monday by Tamil guerrillas.

The reporters estimated that a few hundred guerrillas were defending the city in several pockets. Phil Jones, a BBC reporter, said he saw many refugees and guerrillas moving in and out of the city on roads that Indian spokesmen had said had been "sealed" by Indian troops.

Under questioning, the spokeswoman said that it was "quite likely" that Tamil guerrillas might escape Jaffna if they abandoned their weapons and fled with unarmed refugees. She and others noted that the guerrillas do not wear uniforms, and there is no way to distinguish them from civilians.

Her comments seemed to reinforce the fears of many Sri Lankan officials that by the time the Indian Army takes control of the city, the leadership of the Tigers will have vanished — possibly regrouping to fight in other places.

If this happens, the battle for Jaffna could be far less decisive than it appeared to be at first.

25 Tamils Die as Boat Sinks

COLOMBO, Sri Lanka — A boat carrying an estimated 25 Tamil pilgrims capsized during a storm, killing at least 19, the police said Friday. The accident occurred about 125 miles (200 kilometers) east of Colombo. The police said the Tamils had been celebrating the Hindu holiday of Deepavali, the festival of lights.

signs and considerable progress in narrowing other differences over an Intermediate Nuclear Forces accord. The main outstanding obstacle is over the terms of verifying the gradual elimination of the missiles, U.S. and Soviet officials said.

Apparently in an attempt to put the Intermediate Nuclear Forces accord within close grasp, Mr. Gorbachev on Friday proposed a ban as of Nov. 1 on the production, testing and deployment of all medium- and shorter-range nuclear ar-

ms and considerable progress in narrowing other differences over an Intermediate Nuclear Forces accord. The main outstanding obstacle is over the terms of verifying the gradual elimination of the missiles, U.S. and Soviet officials said.

win public tolerance for drastic price increases and other austerity measures that are a crucial part of the plan.

Under the referendum program revealed in the Sejm on Friday after weeks of internal government debate, Poles will be asked if they are "for the full implementation of the program of radical healing of the economy, knowing that it requires going through a difficult two- or three-year period of quiet change."

A second question will ask if voters are for "the Polish model of profound democratization of political life."

That is explained as a move to "expand the rights of citizens and increase their participation in ruling the country."

signals on both sides, Tass reported. Mr. Gorbachev also softened the Soviet stance on proposed cuts in strategic arsenals. Mr. Shevardnadze quoted the Kremlin leader as saying that an accord could put limits on the land-based intercontinental ballistic missile warheads of 3,000 to 3,300 for each side.

The U.S. has already proposed similar limits. Mr. Gorbachev also proposed putting limits on submarine warheads of 1,800 to 2,000 and air-launched missile warheads of 800 to 900.

Despite the concessions, Mr. Shultz and Mr. Shevardnadze, who appeared in consecutive news conferences on the same stage, both said that the key difference between the two sides was over the anti-ballistic missiles and both depicted the dispute as significant.

Signed by both countries in 1972, the treaty establishes the terms under which research on space-based weapons can be conducted.

U.S. Questions Stance  
The White House spokesman, Martin Fitzwater, said Friday that Mr. Gorbachev's reluctance to hold a summit meeting with Mr. Reagan "raises a lot of hard questions about his intentions and purposes," The Associated Press reported from Washington.

Mr. Fitzwater spoke with reporters after Mr. Shultz announced in Moscow that Mr. Gorbachev said he was not prepared to visit the United States soon unless Washington changed its stand on the Strategic Defense Initiative.

A Pentagon official later said Mr. Weinberger was referring to "bunamitarian," not military, aid.

Speaking of the U.S. and its allies, Mr. Weinberger said, "If the situation continues, we all may have to do more."

Asked when the U.S. military would be able to reduce its forces there, he said, "At least not until stability returns, and that is most likely to occur when the war ends."

Sources said the trained dolphins would be used for mine-hunting and detection of underwater divers. They said the dolphins, who will be housed in shipboard tanks, were sent to the Gulf to "add a measure of security" to U.S. forces as well as to test the dolphins in "a realistic environment."

Genscher Visiting Albania

BONN — Foreign Minister Hans-Dietrich Genscher of West Germany left for a one-day visit to Albania on Friday.

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AMERICAN TOPICS

Proposal for \$1 Coin Draws Scant Support

The recent call for a new \$1 coin bearing a likeness of Christopher Columbus has drawn little enthusiasm. The Washington Post reports. Opponents say the call comes mainly from copper-producing states and vending-machine interests.

Curtis A. Prins, staff director of the House Consumer Affairs and Coinage Subcommittee, says: "If you talk about taking the dollar bill out of circulation, you are going to see the American public rise up. We have not received a single letter from any plain, ordinary American who wants a change."

The Coin Coalition, which backs the Columbus coin, says that "just as with Uniform Product Codes and the recent extension of daylight-saving time, a major educational campaign is required."

Donna Pope, director of the U.S. Mint, says the proposal is "under study."

Short Takes

Los Angeles has rescinded its decision to make a week earlier to adopt a year-round schedule for its 618 schools and 592,000 pupils. The Board of Education will hold four months of public hearings and make a final decision on March 1. The reversal follows more than two years of debate, and rekindles an argument between affluent areas where schools are not overcrowded, and poorer areas where overcrowding is a problem.

The U.S. Navy Memorial has been dedicated in Washington nearly 200 years after Pierre L'Enfant first suggested the idea in his design for the capital. The \$12 million project was financed entirely by \$4,000 private contributors. It features a 100-foot (30-meter) circular plaza laid out as a map of the world, an amphitheater and a seven-foot bronze "Lone Sailor" in a windblown pea jacket.

Vice President George Bush has occasioned much humorous comment for saying that he did poorly in the Iowa Republican



Douglas Youngs stands beneath his vintage airplane, perched where it landed after a bizarre, pilotless flight.

straw vote last month because his supporters were golfing, attending an air show, high school reunions or "their daughters' coming-out parties," debaters balls being rare in Iowa. None of that for Representative Jack F. Kemp. His campaign press secretary, John Buckley, said, "We would have done better at the straw poll but Jack Kemp's supporters were watching football, grilling cheeseburgers at bowling tournaments and cleaning their guns."

Thomas Wolfe, the author who wrote of a Hudson River that "takes the thunder of fast trains and throws a handful of lost echoes at the hills," now has a railroad car bearing his name half a century after his death. The Hudson commuter line running from New York City to Poughkeepsie has named railroad cars for two other authors who wrote about the river, John Cheever and Washington Irving.

3 Americans Held in Plot To Sell Data To Moscow

The Associated Press

SAN JOSE, California—An alleged plot to sell the Kremlin computer technology that could have helped destroy incoming U.S. missiles has been broken up by U.S. Customs Service officials.

The agency arrested three men Thursday and recovered stolen computer designs that allegedly were to be turned over to the Soviet Union in return for \$4 million.

The plot involved meetings between the head of the Soviet space agency and Charles McVey, 57, a former fugitive who was indicted in 1984 for export violations and is being held in a Vancouver jail, according to Quint Villanueva, commissioner of the customs office for the Pacific region.

Mr. Villanueva identified the Soviet official as Roald Sagbeyer, whom he also described as an adviser to the Soviet leader, Mikhail S. Gorbachev, on President Ronald Reagan's program for a space-based missile defense system.

"It makes us feel good we stopped this stuff from leaving the United States," said Rollin B. Klink, head of the Customs office in San Francisco. "It would have severely damaged our military."

The designs, stolen from Saxy Computer Corp. and recovered by the Federal Bureau of Investigation, could be used to build one of the most powerful supercomputers in the world, capable of a billion computations per second, company officials said. Saxy is based in Sunnyvale, just north of San Jose.

Mr. Villanueva said, "The technology would have given the Soviet Union the capability to develop a supercomputer which, in the event of war, could anticipate American missile strikes, allowing the Soviets to neutralize them."

The three men arrested Thursday were Ivan Batinic, 29, of Fremont, California, a former Saxy engineer; his brother, Stefan; and Kevin E. Anderson, 26, a software designer also from Fremont.

The three are believed to have conspired with Mr. McVey who, before his detention in Vancouver, had been on the Custom Service's 10 Most Wanted list of high-tech-nology smugglers.

Mr. Anderson was held without bond on a charge of conspiracy to violate export laws, a crime punishable by 10 years in prison and a \$250,000 fine.

The Batinics were each held on \$100,000 bond on one count of conspiracy and one count of interstate transport of stolen property.

China Criticizes U.S. Over Export Curb

By Edward A. Gargan New York Times Service

BEIJING—China said Friday that the U.S. decision to curb the export of some high technology products to China was "not reasonable."

On Thursday, the State Department announced that it was suspending consideration of whether further high technology could be transferred to China because of what the department has said is China's continued sale of Silkworm missiles to Iran.

A Silkworm fired by Iran seriously damaged a Kuwaiti oil tanker on a mountain in the Persian Gulf. Meanwhile, Iran's ambassador to China, Alabdin Broujerdi, said Friday that his country possessed a great many more U.S.-made surface-to-air Slinger missiles than the 16 recently reported.

The ambassador also said the

Silkworms his country had were not Chinese. "There is no connection in this regard with the Chinese government," he said.

The decision by the United States signaled a souring in relations between the two countries, according to some senior Western diplomats in Beijing.

Already, China has reacted heatedly to a recent Senate resolution criticizing Beijing's policies toward Tibet, and Deng Xiaoping, the senior Chinese leader, has accused several U.S. congressmen of "ignorance and arrogance" for their views on Tibet.

Nonetheless, the U.S. Embassy has made a great effort to portray the high tech decision as a relatively minor issue and to suggest that ties continue normally.

China's reaction to the State Department action was contained in a dispatch issued by the government-

controlled Xinhua press agency in Beijing.

"Observers here...the news agency said, "believe that it is not reasonable at all for the United States to halt the review of relaxing controls of high tech exports to China under the pretext of mounting tension in the Gulf."

For several months, the United States has strongly protested to Beijing over the sale of Silkworms to Iran. For its part, China has consistently denied that it has sold such missiles, or indeed any military equipment, to Tehran.

However, the Wall Street Journal reported Thursday that the Reagan administration has shown Chinese officials photographs of Chinese weapons being loaded in China and unloaded to Iran.

Convoy Passes Strait

A convoy of reflagged Kuwaiti

tankers and U.S. warships safely passed through the Strait of Hormuz on Thursday in the first escort since American warships destroyed an Iranian oil platform, United Press International reported from Manama, Bahrain.

In another development, President Ronald Reagan warned Iran on Thursday that the United States would retaliate for "provocative acts against us or anyone else" in the Gulf, but said he did not foresee U.S.-Iranian clashes that would lead to war.

The inclusion of "anyone else" appeared to be a mistaken expansion on U.S. policy. The Reagan administration recently underscored the limitations of its policy in the Gulf when it told American owners of tankers flying flags of convenience that U.S. naval protection would not be extended to their vessels.

Civilian Satellite Details Soviet Laser Site

By William J. Broad New York Times Service

NEW YORK—A giant military laser station under construction high atop a mountain in the Soviet Union has been photographed by private cameras in space, providing civilian military experts their first glimpse of the top-secret site.

The existence of the station has been publicly known in the West for more than a year, and the United States government has scrutinized it repeatedly in spy-satellite photographs taken by spy satellites.

But until now civilian experts could only guess at its location, size, power and ultimate use. The new photographs, while not conclusive, suggest strongly that the site is for weapons research or is a prototype weapon itself, according to civilian defense experts.

The photographs were issued Thursday by a Swedish company, Space Media Network, which markets satellite images to news organizations.

Experts who examined the photographs said the Soviet site was clearly for military lasers. The question, they said, is whether the lasers are for research or could prove strong enough to damage space satellites and the rudimentary space-based weapons envisioned by President Ronald Reagan for the first phase of his Strategic Defense Initiative, or "star wars," anti-missile program.

If even more powerful than that, the lasers might be able to destroy incoming missiles and warheads, making the facility a violation of the 1972 anti-ballistic missile treaty. The photographs gave no evidence the lasers are that strong,

although they did not rule out that possibility.

The photographs were taken by the French SPOT satellite, which orbits about 520 miles (840 kilometers) above the earth and can see ground objects as small as 10 meters (33 feet) in diameter.

They show a sprawling mountain-top complex, clearly not meant for civilian observatory work, that is replete with roads, buildings, laboratories and a battery of 10 domes to hold lasers and tracking telescopes.

The site, 7,600 feet above sea level about 30 miles southeast of Dushanbe, the capital of the Tajik Republic, is surrounded by double fences and is linked by power lines to the 2,700-megawatt Nurek hydroelectric plant, one of the Soviet Union's largest, which is about nine miles to the southeast.

"It appears to be larger and more elaborate than any comparable facility in the West," said John E. Pike, head of space policy for the Federation of American Scientists, based in Washington. "Whether or not this facility will be capable of shooting down satellites or 'star wars,' it most certainly is developing the kind of technology that would eventually be able to do so."

Peter D. Zimmerman, a physicist with the Carnegie Endowment in Washington, said: "It clearly has a military mission. The question is what that mission is. I'm not convinced it's offensive. It might be for tracking satellites or weapons research."

Powerful lasers atop mountains are generally viewed as more threatening to objects in space than those at lower altitudes because their beams of concentrated light have less atmosphere to cut

through before flashing into the void of space.

No American official has publicly acknowledged the existence of the Nurek laser complex, although federal intelligence analysts have privately expressed concern about the site for more than a year.

Space Media Network, based in Stockholm, said it had spent a year analyzing a series of images of the site and reviewing them with international defense experts.

The heart of the Nurek site consists of 10 dome-shaped white buildings, six for tracking telescopes and four for lasers, according to Space Media Network. Each building is 10 meters in diameter.

"No visual outside construction work is currently going on," said a statement from Space Media Network. "This is possible to determine by comparing satellite images from 1986 and 1987." No expert is sure when the facility will be finished, although most expect it to begin firing laser beams before the end of the decade.

Experts, both inside and outside

Paris Man Loses Hand In Package Bomb Blast

The Associated Press

PARIS—A package bomb exploded at the apartment of an employee of the Moroccan news agency here, tearing off his hand, officials said.

The blast occurred Thursday when Mohamed Houmane, 35, a technician for the Paris office of Maghreb Arabe Presse, opened the package given him by the building attendant, the agency said. No one claimed responsibility for the bomb.

the U.S. government, are divided on the exact uses of the complex.

If relatively weak, the lasers could be used like a radar beam to track man-made objects moving above the earth.

A stronger laser might damage American satellites, blind those designed to flash an early warning of a nuclear attack and threaten space-based anti-missile arms and sensors.

A still more powerful laser might be able to destroy enemy warheads and missiles. A powerful laser beam generated on the ground would have to be bounced off mirrors in space in order to destroy missiles rising from a foe's territory.

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Anti-Noriega Protest Fails to Win Support

By Lindsey Gruson New York Times Service

PANAMA—The government of General Manuel Antonio Noriega has won a major test of strength as a protest march and general strike here failed to attract support.

Western diplomats said discontent with General Noriega remained widespread. But so far, the opposition has been unable to focus the dissatisfaction.

The opposition, which is seeking to overthrow General Noriega, had said the protest Thursday would be a major showdown—"the beginning of the end"—and a demonstration of its strength.

But fewer than 400 demonstrators attended the march. They dispersed quickly in the face of riot troops.

In one incident, two soldiers kicked down the door of the Chinese Embassy, where a protester had taken refuge. Witnesses said the embassy had refused to surrender the man.

A few shops in the central business district closed for the day and boarded up their windows. But most ignored calls from protest organizers to close.

"We're at a very low point," said one leader of the opposition, a coalition of more than 100 business and professional groups. "We need violence to revitalize."

"We've been too nice," said another opposition leader, noting that

the country has no tradition of violent conflict. "We have a demonstration and everybody says awful things about Noriega. Then we all go home."

Pressure for the removal of General Noriega has been increasing since 1984, when the candidate he selected won a presidential election amid charges of vote fraud.

Huge street demonstrations were held five months ago after one of General Noriega's former associates accused him of rigging the election, killing political opponents and profiting from corruption.

That prompted a government crackdown that has continued. Opposition groups said that at least 16 organizers were arrested in the last few days. Other activists have disappeared or have been detained, along with passersby and nearly a dozen U.S. servicemen.

Many leaders of the opposition coalition, known as the National Civic Crusade, have fled the country. Others are in hiding.

The government has closed four independent newspapers and two radio stations and has hampered television stations with threats of prosecution.

"The opposition keeps saying the movement will throw up a leader," a Western diplomat said as he watched the abortive protest Thursday. "But it hasn't happened so far. There still isn't a rallying cry."

The campaign has tried to harness popular discontent by turning the protests into a personal drive against General Noriega. It has portrayed him as a despot and has called for his removal, an investigation of accusations against him and free elections to restore civilian rule.

But General Noriega has deflected the criticism. He has solicited his support in the Panama Defense Forces by doubling its size and putting senior officers in charge of dozens of lucrative enterprises.

They say they hope that continuing protests and support from the United States will provoke the military to overthrow the general. But they acknowledge that this is a slim hope.

He has successfully portrayed himself as a defender of Panamanian nationalism and the protests as an attack on the military. That appears to have made him stronger than before the demonstrations began, Western diplomats said.

Militants in the opposition now acknowledge that they underestimated General Noriega.

They say they hope that continuing protests and support from the United States will provoke the military to overthrow the general. But they acknowledge that this is a slim hope.

U.S. Official Assails Congress For Move to Cut Pakistan Aid

New York Times Service

WASHINGTON—A senior State Department official has assailed Congress to renew aid to Pakistan, despite concerns that Pakistan may be trying to develop nuclear weapons.

Richard T. Kennedy, who holds the title of ambassador at large on nuclear nonproliferation policy, sharply criticized efforts in Congress to restrict aid to Pakistan unless it stops producing highly enriched uranium that can be used to make nuclear weapons.

He made his remarks Thursday to the House Foreign Affairs Committee, which focused on the issue of whether American policy toward Pakistan would affect other nations' decisions on developing nuclear weapons.

For six years, Pakistan had been exempt from a law barring U.S. assistance to countries that import material to develop nuclear weapons and resist international nuclear safeguards. But that waiver expired last month and assistance to Pakistan has been temporarily suspended.

The administration of President Ronald Reagan has proposed \$4 billion in military and economic aid to Pakistan over the next six years. But in Congress, an amendment has been prepared that would end U.S. aid unless the president certifies that Pakistan is not producing enriched uranium.

"We think it would be extremely risky to legislate an explicit linkage between Pakistani compliance and continuation of U.S. assistance," Mr. Kennedy said.

Mr. Kennedy asserted that the fact that Pakistan had not yet built and tested a nuclear device reflected its concerns that such an action would end American aid.

But Mr. Kennedy also appeared to publicly confirm for the first time intelligence reports suggesting that Pakistan has violated its public and private assurances that its uranium is not being enriched to levels that exceed 5 percent.

"We're trying to get it down," Mr. Kennedy said, referring to Pakistan's program to enrich uranium.

Dining Out PARIS 1st ADONS, PARIS 2nd JOHN JAMESON, PARIS 3rd KITT O'SHEA'S PUB, PARIS 4th BALADIN, Left Bank, PARIS 5th DIAPASON, PARIS 6th RAFFAÏN & HONORINE, PARIS 7th ROGER LA GRENOUILLE, PARIS 8th LE DAUPHIN, PARIS 9th THOUMLIBY, PARIS 10th AU MANDARIN, PARIS 11th LE CHAMBELLAIN, PARIS 12th KERVANSARAY

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# 5 Soviet Generals Die in Helicopter Crash

**Reuters**  
**MOSCOW** — The Soviet press reported Friday that five Soviet generals died in a helicopter crash earlier in the week in one of the worst accidents to strike the country's military leadership.

The armed forces newspaper *Krasnaya Zvezda* said the crash occurred Monday. Separate obituaries said each man died "in an aviation catastrophe on Oct. 19 while fulfilling his official duties."

The dead included a senior general staff officer, the chief of staff of Soviet forces based in Hungary and the deputy communications chief of the Soviet armed forces.

Two general staff officers whose duties were not described and the

helicopter's two-man crew also died.

The newspaper did not give the location or cause of the accident, but the fact that it reported the generals' deaths in an air crash marked a notable departure from the traditional secrecy surrounding military affairs in the Soviet Union.

"This is a good example of *glasnost* inside the military," a Western defense attaché said, referring to the openness policy of Mikhail S. Gorbachev, the Soviet leader.

The attaché said he did not know of any previous accidents that had caused such a high toll among senior officers. In the past, the Soviet press has provided scant details, if any, of accidents involving the deaths of military officers.

Western military analysts speculated that the crash may have occurred in the thick fog that has shrouded the Moscow area since Sunday. They said the generals may have been on a Warsaw Pact inspection tour.

Colonel General Vladimir Shutorov, 63, was the highest ranking of those killed. A World War II veteran, he had served since 1975 as deputy chief of the Armed Forces General Staff Chief Directorate, which handles major staff policy matters.

Major General Eren Portfryev, 51, was a career field officer who had recently been appointed chief of staff of the Southern Group of Forces based in Hungary.

Although he was outranked by

two lieutenant generals killed in the crash, his obituary followed that of General Shutorov — a sign that he may have been due for promotion, analysts said.

Lieutenant General Yuri Ryabinin, 53, held a post on the general staff, *Krasnaya Zvezda* said, without giving details. He previously had served as a field officer.

Lieutenant General Kirill Trofimov, 66, rose through the Defense Ministry administrative hierarchy and since 1977 had served as the military's deputy chief of communications.

Major General Vladimir Bardashevsky, 49, was recently assigned to the general staff. His post was not given.

# Andrei N. Kolmogorov, 84, Founder Of Probability Theory, Dies in Russia

**By James Gleick**  
**New York Times Service**  
**NEW YORK** — Andrei N. Kolmogorov, 84, the founder of modern probability theory and one of the most eminent mathematicians of the century, died in Moscow on Tuesday, *Tass* reported.

Mr. Kolmogorov's contributions to mathematics in a career that spanned two generations were recognized by honors both in the Soviet Union and internationally. An obituary signed by Mikhail S. Gor-

bachev, the Soviet leader, declared Wednesday that his life "represented an incomparable feat for science."

Mr. Kolmogorov left his mark on many areas of mathematics. He developed an early theory for the flow of energy in turbulent fluids. He introduced the mathematical concept of entropy as a measure of disorder, an idea that now plays an important role in information theory.

But his greatest single achievement was in turning ideas of chance and probability into a rigorous mathematical system in the 1930s.

"He was one of the very greatest mathematicians," said Peter Lax of the Courant Institute of Mathematics at New York University. "He was to probability theory what Euclid was to geometry."

As Euclid did in geometry, Mr. Kolmogorov built up a system of axioms, or fundamental principles, from which complex notions could be derived. His probability theory — described by a younger colleague as the "New Testament" of mathematics — remains central today.

Born in Tambov in central Russia in 1903, he attended Moscow University and became a professor there at the age of 28. He continued to serve in its administration and at its faculty until his death.

As a member of the Soviet Academy of Sciences and chairman of the academy's committee on mathematical education, he played a central role in overhauling the teaching of mathematics in the Soviet Union in the 1960s.

Notions of randomness and predictability, order and disorder, ran as a constant current through Mr. Kolmogorov's work on a range of problems. As a result, his contribu-

tions to mathematics often spilled over into physics.

In the 1940s, he created a powerful technique for using probability to make predictions in the face of randomness, on the basis of a series of observations. The technique was applied to a wide range of systems, such as the problem of landing an airplane on an aircraft carrier bobbing in the sea, calculating ahead of time what its likely position would be.

**Ho Ying-chin, 97, Chinese Nationalist Leader**  
**NEW YORK (NYT)** — General Ho Ying-chin, 97, a former defense minister in the Chinese Nationalist government who served briefly as prime minister in 1949 before defeat on the mainland by the Communist revolution, died of heart and lung failure Wednesday in Taipei.

General Ho, an early comrade-in-arms of Chiang Kai-shek, was war minister from 1930 to November 1944, when he was given command of the Chinese Army. After Chiang's flight to Taiwan, he was defense minister from 1949 to 1958 and in later years was active in the Moral Re-Armament Movement and the Red Cross.

**Other Deaths:**  
**Dana Suesse, 76, a composer and songwriter who wrote "You Ought to Be in Pictures" among other hits, in New York.**

**Pal Gabor, 54, the Hungarian film director whose movies concentrated on the problems of youth and workers, of a heart attack while visiting Rome.**

**Abdel-Munem al-Kaisouni, 71, a former Egyptian finance and economy minister, Wednesday of a heart attack in London.**



**Lino Ventura**  
**Heart Attack Kills Lino Ventura, 68, French Film Star**

**PARIS** — Lino Ventura, 68, a popular French film star, died Thursday after a heart attack.

The Italian-born actor, a former wrestler, was known mainly for roles as tough gangsters or detectives and made more than 70 films in France, Italy and the United States. He was brought in from Parma as a child.

His last major film success was in the 1981 film version of Hugo's "Les Misérables."

Among his other major successes were "Toucher pas au Grisi" in 1953, "The Valachi Papers" in 1972 and "Le Silencieux" in 1976.

He often appeared as in major supporting roles for such stars as Jean Gabin, Simone Signoret and Alain Delon.

In France, he was best known for his role as the police investigator in the 1981 film "Garde à vue."

# Bangladesh Report Cites 'Slave Trade'

**Reuters**  
**DHAKA, Bangladesh** — About 10,000 women from poor peasant families who had been induced to go abroad with false documents to find work are now in foreign prisons, according to the independent Human Rights Commission of Bangladesh.

The commission said Thursday that a survey had found that half the women were serving prison terms in the Middle East, and the rest in India, Pakistan, Burma and West Germany. It said they were lured by promises of high-salaried jobs but often were sold to brothels, and it appealed to the government to arrange for their repatriation.

The commission also called for harsh punishment for persons involved in this "slave trade." The maximum punishment for such crimes is 14 years imprisonment, although the government said last year it was considering imposing the death penalty to curb the illegal trade in women.

Friday's NYSE Closing		12 Month High/Low		Div. Yld. PE		52 High/Low		Class	
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13	Amgen	118	114	1.8	14	99	114	118	118
14	Amgen	118	114	1.8	14	99	114	118	118
15	Amgen	118	114	1.8	14	99	114	118	118
16	Amgen	118	114	1.8	14	99	114	118	118
17	Amgen	118	114	1.8	14	99	114	118	118
18	Amgen	118	114	1.8	14	99	114	118	118
19	Amgen	118	114	1.8	14	99	114	118	118
20	Amgen	118	114	1.8	14	99	114	118	118

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere. In The Associated Press

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**INTERNATIONAL HERALD TRIBUNE CENTENNIAL**

**1887-1987**

**100**

**1887 and all that...**

**The Trib's Centennial Quiz**

*Hundreds of valuable prizes await participants in the IHT's centennial quiz, focusing on the year of the paper's founding.*

1887 is a special year for the International Herald Tribune, for it was on October 4th of that year that James Gordon Bennett, Jr. made journalistic history by launching the newspaper in Paris. But lots of other significant things happened that year as well. Can you name them?

Because our Centennial is an occasion in which we want to see our readers' participation, we have created the following Centennial Quiz. Prizes and personalities of the year 1887, who, in some special way, were involved in the year 1887.

Every person who answers 15 or more of these questions correctly will receive an IHT souvenir in thanks for his or her participation. Those who answer the most questions correctly will be named in our pages — and will receive a larger prize. Prizes will include a special edition of the IHT, luxury goods, and free subscriptions (or prolongation of existing subscriptions) to the IHT. To spread the prizes geographically, the ten highest scorers from each country will qualify as winners with any ties resolved in favor of the oldest country.

You can enter the contest except International Herald Tribune employees and their families. To fill in the quiz coupon and send it right away. Contest closing date will be October 4, 1987 (our actual anniversary date). Correct answers will be printed in the newspaper, along with the names of all the winners.

**Our Questions:**

- Began in 1887, it became two years later the tallest structure the world had ever seen, and remained so for 41 years. What was it, which building did it succeed as the world's tallest, and which finally surpassed it in 1930?
- Which famous literary figure made his first appearance in 1887, and who were the two doctors whom he also helped to immortalize?
- On May 8, 1887, a young man was shocked when his brother Alexander was hanged for taking part in a murder conspiracy. As a result, the history of mankind in the twentieth century was dramatically changed. What was his name?
- He was born in 1887, became a revolutionary in 1911, and President of his country in 1928. Though he was regarded as a world leader, he spent the last 26 years of his life on a small island. Who was he?
- Which famous symbol of internationalism was launched in 1887 by Ludwik Zamenhof?
- Which Man for All Seasons became a saint in 1887?
- Born in 1887 as William Henry Pratt, the son of a member of the Indian Salt Revenue Service, he spent much of his life in America where he became world famous under another name, and eventually retired to Sussex, England, to watch cricket before his death in 1969. How is he better known?
- Which chemistry professor at a military academy of medicine died at a party in 1887, leaving an unfinished opera?
- Which British citizen, born in 1887 the son of an Irish bishop, commanded the U.S. First Army (among other units) on D-Day?
- In 1887, this man won public acclaim in Vienna for something which had nothing to do with politics, even though he later became Prime Minister of a European country. He had a farm in California and died in New York in 1941. Who was he?
- On July 8, 1887, a world-famous novelist attended a concert given by his children and wept at Beethoven's music. This later inspired him to write one of his best-known stories. Who is the novelist and what was the story's name?
- In 1887, a composer produced his tragic masterpiece. Sixteen years earlier he had been commissioned to compose a similar musical work to celebrate a feat of engineering. It was given its premiere in Africa. What were the two works?
- Born in 1887, he became famous as a scientist and international civil servant, but he was often overshadowed by his brother who died on the same day as President Kennedy. Who was he?
- In 1886 an unknown young painter arrived in Paris to see the last exhibition of the Impressionists of which he wrote, "When one sees them for the first time one is very much disappointed and thinks they are ugly, sloppily and badly painted, badly drawn and of a poor color, everything that is miserable.

**Time's Up!**

All the responses received by October 4th are being evaluated and the list of winners will be published as soon as possible. Means here, here are the answers — 34 total answers for the 25 questions. And our thanks to the many readers who sent in their responses.

- Eiffel Tower (1889), Washington Monument (1885), Chrysler Bldg. (1930)
- Shelock Holmes, Dr. Watson
- Dr. Arthur Conan Doyle
- Vladimir Ilyich Ulyanov (Lenin)
- Chiang Kai-shek
- Esperanto
- Sir Thomas More
- Baris Karloff
- The Russian composer Alexander Borodin
- Field Marshal Montgomery
- Ignace Paderewski
- Leo Tolstoy, The Kreutzer Sonata
- "Aida" and "Otello" by Giuseppe Verdi
- Julian Huxley (brother of Aldous)
- Vincent van Gogh
- The New Hebrides
- The America's Cup
- Grover Cleveland, President of the U.S.A. The only man to serve two non-consecutive terms (1885-89, 1893-97)
- Indochina (Vietnam, Laos and Kampuchea)
- Le Coubusier (Charles-Etienne Jeanneret)
- Contact lenses
- Buffalo Bill Cody
- Dante Edith Sitwell
- Alfred Landon
- Herman Melville, author of "Moby Dick"
- James Gordon Bennett, Jr. The New York Herald, European Edition, and the owl

ARTS / LEISURE

Over-Produced Opera

By Henry Pleasants
LONDON — The extent to which opera has come to be dominated by the producer rather than by singers or the conductor, or even by the composer, has been vividly, if hardly enjoyably, demonstrated in three new productions ushering in the new season.

Within a span of four days we had Nigel Osborne's "The Electrification of the Soviet Union" by the Touring Company at Glyndebourne, staged by Peter Sellars; a new "Werther" by the English National Opera at the Coliseum, staged by Keith Warner; and a new "Marriage of Figaro" by the Royal Opera at Covent Garden, staged by Johannes Schaaf.

Attention centered, inevitably, on Osborne's work, not only because it is a new opera rather than the restaging of an old one, but also because it marked the British debut of Sellars, an American already known by reputation for having set "Così Fan Tutte" in a diner, "Don Giovanni" in an urban slum and Handel's "Julius Caesar" around the Beirut Hilton's swimming pool.

Well, he puts "The Electrification of the Soviet Union" right where Craig Raine's libretto, based on a novel by Boris Pasternak, says it is, in immediately pre- and post-revolutionary Russia, and gives us a kaleidoscopic, surrealistic view of individual torment in the face of social, political and economic turbulence.

It is a virtuoso accomplishment, eventually defeated by its own unceasing, self-indulgent, self-conscious virtuosity. Everything is overdone, overdrawn, overwrought, frenetic. The unremitting

intensity becomes tedious, and the constant sudden shifting of time and locale, between 1914 and 1920 and between Siberia and Moscow, becomes confusing. As Sellars himself has said, with characteristic hyperbole, "it is extremely impossible to follow. You just have to relax and not worry about not understanding it." Thank you very much!

What is most striking about this evening in an opera house is the way in which Sellars, with an eclectic, inoffensive, but rather inarticulate score obscuring too much of the text, emerges for better or worse as the actual creative source of the whole enterprise. As such he had exemplary support from the young cast and the London Sinfonietta under Elgar Howarth. The production now goes on tour, and is scheduled for inclusion in the repertoire for next summer's Glyndebourne Festival.

When the new ENO "Werther" opened with, during the overture, Charlotte, still in mourning dress, coming downstage to place lilies on her mother's grave, we had a plain enough hint of what lay in store: a funeral, stylized "Werther." Stefano Lazzari's set is a black box. Everyone is clothed in black. The Magistrate's neighbors, Schmidt and Johann, are grave diggers.

Keith Warner's approach is what might be called "expressionistic," focusing with spotlights on the triangle at the core of the tale and obliterating (almost) the huculic domestic background against which the tragedy unfolds. That background, with its essential elements of Weizlar setting, color and contrast, and enlivening domestic

incident, is what contributes so importantly to Goethe's story and to Massenet's opera.

Thus, what we get is not Massenet's "Werther," but Keith Warner's, with music by Massenet, very well played and sung by Ann Murray, Arthur Davies and Stephen Page, and admirably supported by the orchestra under Mark Elder.

"The Marriage of Figaro," staged by the West German Johannes Schaafl, is less radical, but again producer-intrusive. Like many before him, Schaafl has seen fit to superimpose the Beaumarchais source on Mozart and Da Ponte, making the servants resentful, rebellious and insolent, where Mozart and Da Ponte, wisely, simply made them smarter than their employers, far too smart, indeed, and too aware of their smartness to compromise the advantage by insolence.

Xenia Haussner's sets are too opulent. Much is lost by having both the Countess and Susanna and the Count and Figaro too similarly attired. The spectacle of the Countess drowning her sorrows in drink during the singing of "Dove Sono" is an affront to both Mozart and Da Ponte, and having the gardener, Antonio, sit down in the presence of a standing Count is — or one would have thought it was — unthinkable.

Musically, again, all is in good order, with Bernard Haitink, in his first new production as musical director, getting the most from excellent orchestra in support of Claudio Desderi in the title role. Thomas Allen as the Count, Marie McLaughlin as Susanna, Karita Matilla as the Countess and Stella Kleindienst as Cherubino. But where have all the appoggiaturas gone?

I missed a new production of Bizet's "The Pearl Fishers" at the Coliseum, but am happy to pass on a comment by Malcolm Hayes to the Sunday Telegraph: "Knowing what some of ENO's producers can get up to, it's worth sounding a fanfare to Philip Frowse's direction for his decision to set the opera among pearl fishers in the 19th-century Ceylon rather than among drug-runners in the 20th-century Caribbean."

"Werther" Oct. 23, 28, Nov. 2 and 7; "The Marriage of Figaro" Oct. 22, 27, 29, 31, Nov. 2 and 4.



A page from the Gutenberg Bible, and, below, woodcuts from the German Plenarium of 1478.

Joseph Brodsky's Poetry May Appear in Russia

By Bill Keller
New York Times Service

MOSCOW — The Soviet magazine Novy Mir is negotiating to publish the works of Joseph Brodsky, an exiled Soviet-born poet who won the Nobel Prize for Literature on Thursday, a government spokesman said Thursday.

Gennadi I. Gerasimov, the Foreign Ministry spokesman, said the award to the sharp critic of Soviet power showed the "somewhat strange" taste of the Nobel committee, but said he hoped it would draw attention to Russian poetry of this century. The Nobel award was not reported Thursday night on the main television news program or by the Soviet news agency Tass.

Brodsky, 47, spent 18 months in a labor camp for "parasitism" after the government accused him of posing as a poet without adequate academic credentials. He was ordered to apply to emigrate in 1972, and is an American citizen.

His poetry and essays are well known among the Soviet intelligentsia, but only a handful of his works have been published in the Soviet press. He did his most prolific writing as an exile and, like most exiles, is treated as a non-person in the Soviet Union.

Gerasimov, who was asked about the award Thursday night at a news conference reporting on talks between Secretary of State George P. Shultz and the Soviet foreign minister, Eduard A. Shevardnadze, provided no details of Novy Mir's plans.

Novy Mir has a reputation for publishing provocative work. It was the magazine where Alexander I. Solzhenitsyn published "One Day in the Life of Ivan Denisovich" in 1962, and, in 1988, it is to serialize Boris Pasternak's "Dr. Zhivago."

Big Business as Usual In the Art Market

International Herald Tribune

THE auction markets have been reacting with remarkable cool to the chaos on the world's stock exchanges.

In New York, as Sotheby's and Christie's held their traditional fall sales of important gems on Tuesday and Wednesday, respectively, records tumbled as if nothing had happened.

The Porter Rhodes diamond sale of D color, VS 1 weighing 54.99 carats, briefly became the world's second most expensive white diamond ever as London dealer Laurence Graff paid \$3,850,000 for it.

The next day, Christie's took over with a \$23.6 million auction which made history when a 64.83-carat diamond went up to \$6,380,000. This figure makes it the world's most expensive stone in any category.

Other records set during the two days confirmed the strength of the market. At Sotheby's, a 10.07-carat blue diamond fetched \$2.2 million. At \$218,000 per carat, this more than doubled the previous record price, \$105,000 per carat, established at Christie's in Geneva, in November 1984.

Where stones failed to sell, most professionals agreed, this was due to overpricing and correspondingly exaggerated reserves. Sotheby's supposed star piece, for example, a 35-carat diamond, D flawless, was bought in at \$2 million.

Christie's Geneva, which had a record price of \$1.5 million for a 1.5-carat diamond, was also disappointed. The 1.5-carat diamond, which had been effectively sold, it was bought in at its opening bid, \$8,800. No response whatsoever came from the room.

On Thursday, the market was subjected to yet another kind of a test — at the top end. The occasion was the sale of a collection of 15th century printed books formed by the late Estelle Dohany of Los Angeles.

lo, California, as part of the Edward Lawrence Dohany memorial library, are being sold by Christie's in a series of sales in New York at the request of the Archdiocese of Los Angeles. The collection had been completed 40 years ago and its appearance on the market, totally unexpected, created a sensation.

Most remarkable was the copy of Volume One of the Gutenberg Bible. This is the first edition of the Vulgate Bible which was printed in 1454. The initials are exquisitely illuminated with formal and floral motifs, obviously the work of an artist from Mainz.

The parallel with the fate of van Gogh's "Sunflowers" sold for \$24.75 million (about \$40 million) to a Japanese insurance company is striking. There is one big difference however. When the van Gogh was sold on March 30 there had been no crash, just ever soaring share prices.

The prices that followed the Gutenberg Bible may be less impressive in size but they are of even greater significance in terms of market response. The two volume Biblia Latina, or fourth edition of the Vulgate Bible printed in Mainz in 1462 went up to \$715,000. The first edition of the enlarged recension of St. Jerome's letters and pamphlets, "The Epistolae," printed in Mainz in 1470, rose to \$1,045,000, 50 percent over the high estimate quoted by Christie's.

In short, the sale which totaled \$13.6 million could not have gone better either.

Right now on the art market it is business as usual from top to bottom and across the board.

Souren Melikian

COLLECTOR'S GUIDE

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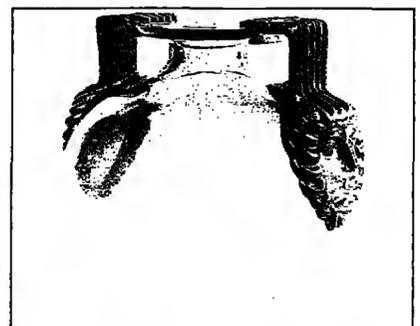
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An advertising section on FRENCH ART MARKET will be published on October 31, 1987.

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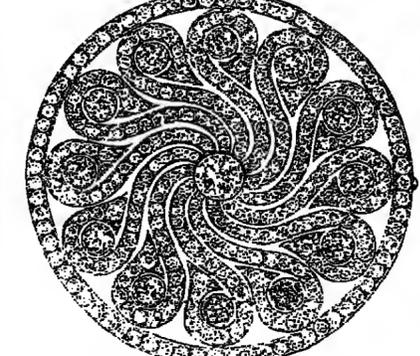
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For all enquiries concerning closing dates and sale details please contact Dan Klein, Paul Greenhalgh or Olivier Brommet in London.

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# THE GERMAN ART MARKET

## Old Masters and New Business

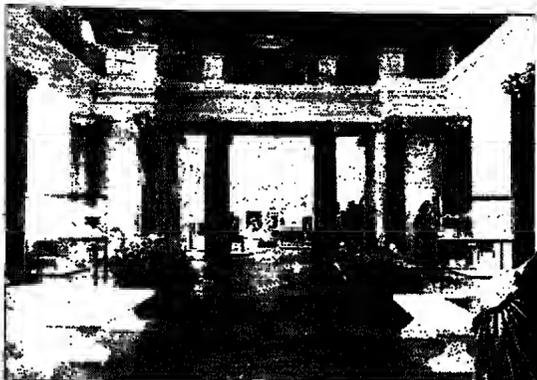
**T**WO decades of post-war struggle, followed by a revival of interest in the late 60s, have left the German art market in good shape.

Dealers and auctioneers are seeing a new generation of buyers emerge, yet the market remains as decentralized as the country's political system. Four distinct regions each boast their own major annual art fair, auction houses, galleries and dealers.

**The North** (Hamburg, Bremen, Lübeck, Kiel & Hannover) has been traditionally subject to Anglo-Saxon and Scandinavian artistic influences. To coincide with its famous industrial fair in Spring (the "Hannover Messe"), Hannover hosts an attractive antiques fair in Schloss Herrenhausen.

Among those present at the 19th Fair last March: Kad Vonderbank, a well-known prints and drawings dealer from Frankfurt; Neuhaus of Würzburg; Xaver Schweidwimmer (old masters) and Herbert M. Ritter (silver and decorative arts) of Munich; and catalog editor Thomas Le Claire of Hamburg, a young specialist in old master drawings.

**The West** (North Rhine-Westphalia, Baden-Württemberg and the western part of Hesse; Düsseldorf, Cologne, Frankfurt, Heidelberg, Stuttgart) has always been influenced by its neighbors: Netherlands,



Above, view of exhibition hall in the Orangerie of Berlin. Right, bust of Julius Caesar by Muskat shown by Galerie Neuse.



Porcelain couple in Ludwigsburg. Dr. F. Nagel, Stuttgart.

Belgium and France. The wide-ranging "Weserdeutsche Kunstmesse" is held alternately in Düsseldorf and Cologne just prior to the Hannover Fair each spring. Prices are highly competitive when compared to those in London, Paris or New York.

**The South** (Munich, Augsburg, Würzburg and the Baden area) has some cultural ties with France but artistic taste remains closer to that of Italy and Austria. This weekend the "Münchener Antiquitätenmesse" opens its doors for the 32nd time, making it Germany's longest-established art fair.

Over 150 dealers, many from

southern Germany, will be participating in one of the most prestigious events in the German art calendar. Among the top-ranking specialists present: Munich's Amoldie Livie (old master drawings), Julius Böhrer (old masters and furniture), Helmut Selig (silver), Heinz Reichert (porcelain and faience), Robert Wölle (old books and prints) and Eberhard Hemmann (antique carpets); Albrecht Neuhaus (French furniture) of Würzburg; and Galerie Neuse (silver and decorative arts) of Bremen.

Berlin's checked, cosmopolitan 750-year history has resulted in a unique artistic style.

Unfortunately, due to its post-war isolation, the city has struggled to regain its former art-market importance. Berlin's "Orangerie" Fair is Germany's newest and was held in September for only the sixth time. Unlike other fairs it is organized by the participants themselves. Around 100 dealers, headed by Bernd Schulz (President of the Berlin Art & Antiquities Association), have rapidly established its international credentials.

The oldest and possibly finest of Germany's 23 major auction houses, Lempertz of Cologne, has belonged to the Hanstein family since 1870. Its 40 experts cover a vast artistic spectrum.

Dörfling of Hamburg, specializing in books and prints, is another of the country's oldest firms. Their clients include not only German dealers and collectors but experts from all over the world.

Hannung & Kad (formerly Kad & Faber) of Munich (founded after World War I) specializes in modern art and organizes two annual sales of international importance.

Other well-known auctioneers include Neumeister, Ruel and Ketterer (Munich), Nagel (Stuttgart), Hauswedell & Nolte (Hamburg) and the Villa Grösbach (opened in Berlin 18 months ago). But plenty of

smaller auction houses or galleries have found there is room on the market for all. Take Herman Historica (Munich), Galerie Mensing (Hamm), Schloss Ahlden and Karstein & Schulze (Düsseldorf) or Staffordshire Enamels.

"Some people complain that the German art market's a bit slow-moving," admits Eberhard Hemmann, a respected expert from Munich who does much of his business with foreign clients. "But why set up in London or hectic New York when you can work and live so well over here?"

"Quality is always in demand at the international level," de-

clares Dagmar Fleischmann (Munich), a dealer in 19th/20th century watercolors, drawings and sculptures.

"We've always done business with international clients," adds Mr. Schweidwimmer, an old master specialist from Munich. Collectors come from far and wide to admire — and buy — his Dutch Masters. "Our prices must be reasonable to satisfy our German clients. This makes us highly competitive in international terms."

"Modern art is still what counts," asserts Mr. Paffrath, a Düsseldorf specialist in 19th century art whose gallery has been in the family since 1857. "But more and more buyers are looking back to the 19th century and old masters." The number of new dealers in these fields lends weight to his claim.

Art historian Sabrina Förster recently opened an old master gallery in Düsseldorf and travels widely — mainly in Italy and the Netherlands — to hunt out new pictures. Both Förster and G.C. Boerner (Düsseldorf and New York), an internationally renowned dealer in old master drawings and fine prints, detect

increasing demand among young buyers.

One dissenting voice in the chorus of artistic optimism is that of Dr. Fritz Conzen, a major figure in the German art world. Conzen possesses one of Germany's leading collections of frames, runs a framing business and owns a number of art and antique shops. He criticizes German dealers as "parochial" and deplores the "lack of help and understanding" displayed by federal authorities.

Yet most of his colleagues consider the German market to be in good shape, internationally competitive and on line for an even better future. One promising sign: next spring, New York's Metropolitan Museum will be opening a wing devoted to German furniture and decorative arts. German dealers are naturally hoping to reap commercial benefit. As Würzburg's Albrecht Neuhaus puts it: "This should attract new trade to the German market and do wonders for the reputation — and value — of German art and crafts."

This advertising section was written by Roswitha Erbslöh.

## Contemporary Cologne

**A**RT Cologne, to be held November 11-18, will be the next of West Germany's nine major annual art fairs. Its theme: contemporary and avant-garde art. A full 22,000 sq m of Cologne's Rhinebank Hall will accommodate 165 participating galleries from 16 countries. Over 55,000 visitors are expected at what many consider the best and most dynamic art show in Europe.

This year's attractions include an exhibition of 20th century prints and drawings, organized by Berlin's Kupferstichkabinett, and the seventh

Young Artists' Sponsorship Program. Each of the 17 artists, all aged under 35, has been assigned his own stand. The program has already helped artists such as Ina Barfuss, Thomas Schütte and Jan Voss have achieve international acclaim.

Foreign dealers — Americans excepted — have been a regular presence over recent years. "If German buyers are convinced that an artist is or soon will be famous, they don't worry too much about the price, comments one French dealer, adding that: "In Cologne you meet a wide

variety of people, including collectors and museum curators you don't see in Paris or Basel. Collectors visit the fair to check out the German dealers who don't exhibit abroad."

Twenty years ago no one could have foreseen Art Cologne's current success. In 1966, 18 German galleries founded the Association of Progressive German Art Dealers with the aim of promoting the "Avant-Garde" in Germany. They refused to admit foreign members, fearing competition from international dealers. When their first fair was organized in Cologne in

1967 — the first modern art fair in the world — they exhibited 600 paintings, drawings, sculptures and objects by 300 artists from Germany and abroad.

The event was an immediate success and in 1968 — worried about competition from the nearby Düsseldorf Fair — Art Cologne invited several prominent foreign guests: Denise René (Paris), Feigen and Castelli (New York), dell'Arcite (Milan) and Rowan London.

Art Cologne has come a long way since then. It finally

threw off the Düsseldorf challenge in 1983, when members of the Federal Galleries' Association voted three to one in favor of Cologne as the better fair venue.

Works by over 1,300 artists are now exhibited annually and sales of up to one million DM have been recorded. Leading prices last year included 700,000 DM (\$390,000) for a painting by E.L. Kirchner, 300,000 DM for a Baumeister and 100,000 DM for a painting by Riopelle.

Art Cologne is open daily 11 a.m. - 8 p.m. Entrance free.

12 DM. For hotel reservations, contact the Cologne Tourist Office (telephone: 221 33 451/telex: 8883421).

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INTERNATIONAL **Herald Tribune**

Published With The New York Times and The Washington Post

**Agree on Defense Steps**

Technology is America's strong suit in countering Soviet military might. Nowhere is that strength more evident than in the esoteric new devices being developed under the Strategic Defense Initiative, like sensors, nuclear-directed energy weapons and free-electron lasers. The White House is eager to deploy a missile defense system as soon as possible. But that purpose defers two goals — building a more effective system later, and reaching agreement to reduce offensive missiles with the Soviet Union now. Both goals can be maintained by agreeing to forgo deployment for at least 10 years, and by following up a recent Soviet proposal to negotiate limits on the scale of "star wars" tests.

The administration has agreed to build no defenses for about five to seven years. But the Anti-Ballistic Missile Treaty of 1972 is being eroded by accelerated development and testing of various star wars devices. Instead of unilaterally testing devices that almost certainly violate the treaty, Mr. Reagan could first negotiate with the Russians on what tests would be allowed, as the treaty requires.

**COCOM Needs to Focus**

Toshiba and Kongsberg, it now appears, are not the only foreign manufacturers who have violated the embargo on strategic technology for the Soviet Union. Dozens of computer-controlled milling machines were evidently sold to the Soviets by Europeans, including French and West German companies. These cases have come to light in investigations that the Japanese and, especially, the Norwegian police have been pursuing. All the NATO countries plus Japan belong to the Coordinating Committee for Multilateral Export Controls, COCOM, which is supposed to run the embargo. It seems that many of its members have not been taking their obligations very seriously.

It is not surprising that evasion flourished. The other COCOM members need to think more carefully about their responsibilities, and the very good reasons for maintaining restrictions on sales to the Soviets. But Washington can help by revising its own standards. The Pentagon has consistently pressed for longer and more minute lists of prohibitions and more laborious licensing procedures. The Commerce Department has tried to keep the process shorter and sharper. A deadlock prevails between them. One of the better provisions in the trade bill now before Congress would break it in the right direction, toward greater selectivity.

**New York Takes Stock**

New York City is a capital of world finance, and this week it has become a capital of financial trauma. How will the fallout affect New York and other cities where financial services play a big role in local spending and taxing? Common sense dictates serious local planning for the worst, even as federal officials wrestle with the budget and international trade issues.

Such a sharp reduction in personal income would ripple far and wide. Dismayed stockbrokers make grim jokes about finding new jobs as waiters — yet even those jobs might soon be hard to find. Manhattan restaurants have flourished in tandem with the stock market boom. Entertainment and retailing would also suffer.

**Other Comment**

**Reagan Provokes Skepticism**

Ten often disappointed in the past, and still traumatized by this week's collapse, the markets have reacted skeptically (to President Reagan's press conference). Any budget compromise seems far off, and its scope questionable in a presidential campaign period. Tokyo was the first financial center to react to Mr. Reagan's words — with a 5 percent drop. Pledges and conciliatory gestures won't do. The operators wait action.

**The Party Congress in China**

China's momentous 13th party congress, due to open on Sunday, is expected to decide the issue of who will at last take over from octogenarian leader Deng Xiaoping and his elderly colleagues. It could also set policy trends for the next few years by taking deci-

sions on reforms which, once made public before the assembled delegates, would be awkward to undo. Certain to be discussed is the question of political reform. This is not political in the Western sense, since it will not deal with changes in the system but simply with proposals to separate party and government functions and the need to insist on higher qualifications for party members.

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OPINION

**United Nations: Working Together at Last?**

By Lincoln P. Bloomfield

CAMBRIDGE, Massachusetts — Moscow's decision to pay its United Nations dues follows Mikhail Gorbachev's extraordinary call for wider use of United Nations forces in "cease-fires and armistice agreements." This apparent change in policy comes at a moment when America is engaged in dangerous do-it-yourself peacekeeping in the Gulf. And it can supply the occasion for a long-needed reevaluation of how the United States should approach global problems that it cannot handle alone.

The same logic indicates a revived UN role aimed at containing local conflicts. The ultimately tragic "do-it-yourself" peacekeeping mission in Beirut, like the unexplained taking of sides in the Iran-Iraq war zone, violated a cardinal rule of diplomacy: "Never get between a dog and a lamp-post." Lebanon, America should be working toward an international Jordanian and national reconstruction. In the Gulf, we need conceived strategic doctrine would

give U.S. and other warships an additional blue flag symbolic of a neutral peacekeeping mission. It has always been true that the United Nations machinery can work only when the superpowers agree. Moscow's positive words — assuming there is substance behind them — could spur a carefully rethought United States strategy.

The writer, who has served with the U.S. State Department and the National Security Council, is professor of political science at the Massachusetts Institute of Technology. He contributed this comment to The New York Times.

**The Powers' New Harmony Is on Trial in the Gulf**

UNLESS Iran and Iraq heed the repeated demands of the United Nations Security Council for a cease-fire, a cruel war, with all its destabilizing effects, will drag on. That could imperil the newfound "working unity" of the five permanent members of the Security Council.

It happened that the foreign ministers of the permanent members were in New York at the time. The U.S. and Soviet ministers had just reached agreement in principle on a treaty for nuclear arms reduction and were anxious not to disturb the spirit of compromise. On Oct. 15, Secretary-General Javier Pérez de Cuellar obtained the council's backing for his plan to have the cease-fire take effect on the same day — no more than 15 days distant — as an impartial body was to start looking into the question of the responsibility for the conflict. Again, the council acted in unity, with firmness and flexibility.

The coming days may be critical. Mr. Pérez de Cuellar needs support. What is also needed is sustained and coordinated pressure from the permanent members until the cease-fire is achieved. — Elyseya Chausovskaya, a Soviet citizen living in the West and a former senior United Nations official, commenting in a personal capacity.

**Americans and the Crash: People Knew All Along**

By David S. Broder

FRESNO, California — Virtually the first question a visitor to Washington was asked at the midweek luncheon here of the San Joaquin Valley Town Hall was: "Will the stock market crash shock the politicians into doing something, finally, about the ever mounting national debt?"

The answer from this corner was a resounding "Maybe," but the impulse was to rush over and hug the blue-haired lady who had asked. She had just confirmed this itinerant reporter's belief that the people are way ahead of the politicians on this issue.

Richard B. Wirthlin: Is the United States basically on the right track or seriously off on the wrong path? For the first time since the recession of 1981-82 ended, the answer to that question became primarily negative in 1986. Exit polls after the November mid-term election showed that the sharp decline in national economic confidence was probably the single greatest factor in swinging the Senate majority to the Democrats.

ington politicians were prepared to do. The only answer I could give was: Wait and see. The Senate, under its old Republican and current Democrat majorities, has voted repeatedly to discipline spending (domestic and defense) and raise revenues. The House blew hot and cold on the issue under Tip O'Neill, but has matched the Senate in self-disciplined budgeting this year under Jim Wright and Bill Gray.

Let me stipulate at once that I do not know what caused the big drop in the Dow Jones average last Monday — whether it was computerized trading programs run amok, panic in the brokerage offices or a reaction to real-world economic, political and diplomatic concerns. What I do know is that the people of America have seen this trouble coming for a year or more and are impatient with the big shot's obtuseness in getting the message.

Last autumn, when three colleagues at The Washington Post and I fanned out from St. Louis to do a week of voter interviewing to various parts of the country, we found the mood dramatically altered from what it had been at a similar point in 1984.

The 1984 Olympic year euphoria, fueled by the psychological liberation from the nightmare of inflation, had made people welcome President Reagan's celebratory "morning in America" campaign commercials. Back then there was an irresistible impulse to savor the moment, to let the good times roll and to reject any dissonant signals of trouble ahead.

When the Dow cracked, you could feel the shivering sensation that the day of reckoning might be at hand. That is why so many of the questions here centered on what those Wash-

When we went out again last spring to Knoxville and again in the summer to Cleveland and to the Chicago suburbs, we heard the same thing. Times were good for most people but trouble lay ahead. The polls continued to confirm those findings. In September the Washington Post-ABC News survey found respondents saying by a 5-to-4 margin that the nation was "seriously off on the wrong track."

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**Solutions To the Pain Are Ready**

By Flora Lewis

PARIS — There was no lack of warning, and not just from Cassandras but also from serious, knowledgeable people. Last year, high-ranking government officials, bankers and economists at an Aspen Institute meeting in Venice produced a very gloomy consensus; several even said they hoped for a sudden crisis to shock governments into doing what all knew had to be done. And there is good reason, the New York Times' Felix Rohatyn said, "I am frightened and utterly baffled." What he sniffed in the air, he said, was "1928-29 fever."

Now the crisis has come in the stock markets. If any further proof were needed that financial markets have been "globalized," it is to the claim that reaction that swept through every financial center around the world in less than 24 hours. The question has to be at least prepared to take the necessary concerted measures to stem the damage and prevent the losses from spreading through the banking system and the world's economy.

There is a tendency to blame the United States for its long failure to deal with budget and balance-of-payments deficits. And there is good reason. As the world's largest market and the source of the world's reserve currency, which also serves as the measure of most commodity values, the United States is the only country that can lead in organizing cooperative moves.

It has been dilatory and negligent for a generation. The beginning of its misconduct was failure to pay for the Vietnam War with revenues, letting inflation build up instead. The 1973 oil crisis and its tremendous impact on the terms of trade and distribution of available funds. The banks were left to "recycle" petrodollars highly-piled, building up mountains of bad debt whose servicing needs further skewed trade and dried up purchasing power where it was most required.

The last seven years have added a jerry-built structure of deregulated and speculative markets on the undermined foundations and made the United States the biggest and most grotesque debtors' club member. But it is not in anybody's interest to push the United States into brutal, abrupt correction of its bad habits by depression. All countries would suffer. These U.S. foreign debts came as a result of other states' flourishing exports and capital accumulations. Their growth could not be sustained if the U.S. economy were left to falter, and the weak would simply collapse.

Unlike 1929, there is an international pool of experts who know quite well what governments must do. There are institutions to provide the forum. Decisive action is possible and it is only up to the political leaders to make the decisions that the markets are now punishing them for putting off. The essential first step is to show at last a willingness to act together — in the United States the administration with Congress, in the world the seven leading democratic industrial countries. There have been calls in Europe for a conspiracy meeting of the seven, possibly at the summit but preferably another finance ministers.

But this time the ministers must do more than merely prop up currency and fiddle with debt schedules. They must proclaim what they well know — that currency, trade, debt and aid are all intimately connected and internationally interdependent — and draw the consequences. That certainly does mean a willingness in America to cut the budget and raise taxes; in West Germany to spur growth, which would also help cut its high unemployment; in Japan to raise spending on domestic infrastructure and, very substantially, on foreign aid for an emergency meeting of the seven, possibly at the summit but preferably another finance ministers.

The politicians will be coming if they refuse to act boldly and in concert. There is no way for one party or one country to preserve an advantage. Everybody's in this together. — The New York Times.

**100, 75 AND 50 YEARS AGO**

**1887: Wild West Show**

LONDON — The last week of Buffalo Bill's Wild West commences tomorrow [Oct. 24]. Ever since the entertainments opened, the immense buildings at West Bromption have been daily crowded. Altogether the exhibition may be said to have been a most successful one, and the reception given to Buffalo Bill (Colonel W.F. Cody) in his Wild West performance on every occasion showed how much it was appreciated. The Indians found the climate of England rather trying, and were surprised when they first set eyes on an English fog.

**1912: Too Few Women**

WASHINGTON — No wonder so many young men lead lonely lives. The Census Bureau has just discovered that this country is short 3,000,000 girls — that is, there are that many more men here than there are women. It used to be that there were girls enough to go around, and a

lot to spare, but the latest figures show that the joyous time has passed. The Census Bureau rather believes that this condition is due to the increasing immigration and to the fact that most of the immigrants are men who do not bring women with them.

**1937: The Pianist Bows**

ATLANTA — Ross Ponselle's soprano voice rose and fell in Tchaikovsky's "Adieu Frantz." Suddenly the Metropolitan choir interrupted the song and tossed back to her pianist, Stuart Ross, a hasty "You're on the wrong key." Ross replied: "No, I'm not." Then to the audience Miss Ponselle said, "Excuse me, please," and consulted with her accompanist. After a swift glance at the music board she announced triumphantly: "You've got the controls wrong." She had joined her in laughter while Ross hurried backstage to retrieve the soprano. The song over, the singer urged Ross frontstage to take a bow. As he bent, she tweaked his ear.

**Creditors Are Loath to Finance a War**

JUST about the time the stock market was collapsing, the Reagan administration was moving another notch closer to war with Iran. One event did not cause the other, but they are intimately linked. Policy makers have refused to acknowledge this, but Wall Street, whose flights of fantasy are sooner or later tempered by brutal facts, knows better. Eventually there comes a time when even the most understanding friend stops believing a gambler's promise to reform. Countries on the verge of bankruptcy ought not to be launching wars with other people's money. The United States must be out of danger until it recognizes that a foreign policy, like everything else in this world, has to be paid for. — Ronald Steel, a professor of international relations at the University of Southern California, writing in the Los Angeles Times.

The writer is professor of economics at Washington University in St. Louis and author most recently of a book about stabilizing the economy. He contributed this comment to The New York Times.

FROM WRITING ORIGINALS

ATURDAY-SUNDAY, OCTOBER 24-25, 1987

ECONOMIC SCENE

Trading Pulsates on Logic, Mixed Signals, Gut Fear

By LEONARD SILK New York Times Service

NEW YORK — What lies in the minds and bellies of the people who buy and sell stocks these hectic days...

No one can be sure which is the better guide to calling the market turn. Talk with a dozen people, and one gets a dozen different reasons.

"You can't kiss a speeding locomotive," said Kenneth Zuckerbrot, a 43-year-old tax lawyer with Weiner, Zuckerbrot & Weiss in Manhattan.

Mr. Perry of the Brookings Institution cites a more nameless threat than losses: choking up.

Not everyone is deeply disturbed by the market's violent wrenching. John C. Whitehead, the deputy U.S. secretary of state who came from Goldman, Sachs & Co., believes that the market is working out its excesses.

"I don't think all the things the media and the economists talk about—the dollar, interest rates, the budget deficit, trade and so on—have anything to do with what caused the market to fall," he said.

M.R. WHITEHEAD believes that President Ronald Reagan was right in assuring the nation that the economy is fundamentally sound. Many economists and business people agree. They point to the U.S. economy's five-year expansion, the low unemployment rate, the harmony between sales and inventories—and, just Thursday, the cut in the prime rate.

Mr. Perry said that in so volatile a market, with heavy trading and orders backed up, it took hours for him to find out at what prices he had bought or sold. So he was trading instead in financial futures, where he could get virtually immediate execution.

Many consumers feel that the turmoil will chill their own buying plans. They consider it risky to buy the stocks of corporations whose earnings will be hurt if other consumers do what they expect to do themselves.

The news has never been followed so intensely as now, and much of it is worrisome. The flare-up in the Gulf, where an

In the News: A Rock, a Shepherd

Nicholas Brady: To Lead Inquiry on Stock gyrations

By Susan F. Rasky New York Times Service



WASHINGTON — Nicholas F. Brady once described himself as the kind of man who likes to prove the experts wrong.

That was in 1982, after he obtained \$8 million in financing to start a newspaper-recycling company based on an ink-cleaning process that experts said would never work.

He is more widely known as a blue-chip member of the financial establishment, the chairman and managing director of Dillon, Read & Co., the Wall Street investment firm that he joined in 1954.

See BRADY, Page 11

Robert Prechter: Guru Sees Market Going Far Higher

By Albert Scardino New York Times Service

NEW YORK — For the last eight years, Robert R. Prechter has worked as a shepherd in the field of investment counseling, offering to lead an ever-growing flock toward the greenest of pastures, a Dow Jones industrial average of 3,686.

To get there would take some zig-zagging through the wilderness, he has told his 16,000 followers and anyone else who would listen, but they would arrive in the promised land in 1988.

Mr. Prechter's words carry such power because he appears to have called the broad outlines of the bull market right since 1982, although he has made some bad calls on short-term moves.

See PRECHTER, Page 11



U.S., U.K. Show Gains In Key Economic Data

U.S. GNP Up At 3.8% Rate In 3d Quarter

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. economy grew at a robust annual rate of 3.8 percent in the July-September quarter, up from 2.5 percent in the second quarter, the Commerce Department said on Friday.

The preliminary growth figure in the gross national product was much higher than average market expectations of a 2.7 percent increase, but does not include the stock market collapse this week that many economists say will reduce future economic growth.

The department said that GNP, the broadest measure of a nation's economic output, was bolstered in the third quarter by a big upsurge in consumer spending and the steepest rise in business investment in more than three years.

The increase in growth was accompanied by a drop in the rate of inflation. A measure of prices tied to the GNP expanded at an annual rate of 2.7 percent in the third quarter, down from a 4.1 percent rate of increase in the spring.

The good news on economic growth and inflation was tempered, however, by the fact that the country's trade deficit, as measured by the GNP, deteriorated by \$5.2 billion in the third quarter because of a huge jump in oil imports.

The Commerce Department said that personal spending increased \$29.5 billion in the third quarter compared with an increase of \$11.6 billion in the second quarter. Purchases of durable goods soared to \$17.9 billion compared with an increase of \$9.5 billion in the previous quarter, with most of the increase in motor vehicle purchases.

Consumer Prices In U.S. Rose Just 0.2% Last Month

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. consumer prices rose by a smaller-than-expected 0.2 percent in September, as falling energy prices nearly offset increases in food and clothing prices, the Labor Department said Friday.

Many economists had expected a rise of 0.4 percent in the seasonally adjusted Consumer Price Index, which jumped 0.5 percent in August.

For the first nine months, consumer prices advanced at a seasonally adjusted annual rate of 4.8 percent. They rose by 1.1 percent for all of 1986.

Lower fuel oil, electricity and gasoline prices pushed down the department's energy index by 0.5 percent in September, compared with a 1.7 percent jump in August.

Food costs jumped 0.5 percent, apparel costs 1.1 percent. Transportation prices rose 0.2 percent, medical care 0.5 percent and entertainment 0.5 percent. Housing costs, which had jumped 0.6 percent in August, held steady.

(Reuters, LPI)

U.K. Rate Cut Followed Good Trade Figure

Compiled by Our Staff From Dispatches

LONDON — Major British banks cut their base lending rate Friday by half a percentage point to 9.5 percent, after the government announced better-than-expected trade figures for September.

Analysts said that the trade report helped support the pound. This, in turn, gave the government some leeway to push down interest rates, which have been propping up the currency.

The announcements steadied stock prices after they had fallen to their lowest point since January, and bolstered prices of government bonds and sterling.

The banks cut their base rate after a signal earlier from the Bank of England.

The central bank lowered its money market dealing rates by one-half a point to 9.5 percent as a response to general market conditions, a spokesman said. He did not elaborate.

Later, the chancellor of the Exchequer, Nigel Lawson, said that the government had urged the banks to cut their base rates.

See BRITAIN, Page 11

Currency Rates

Table with columns for currency, rate, and date. Includes entries for Gold, Silver, and various international currencies.

Interest Rates

Table with columns for instrument, rate, and date. Includes entries for Treasury bills, bonds, and other financial instruments.

Key Money Rates

Table with columns for instrument, rate, and date. Includes entries for various money market instruments.

Asian Dollar Deposits

Table with columns for instrument, rate, and date. Includes entries for Asian dollar deposits from various banks.

U.S. Money Market Funds

Table with columns for fund name, assets, and other metrics. Includes entries for various U.S. money market funds.

Gold

Table with columns for location, price, and date. Includes entries for gold prices in various locations.

After the Fall: Some Winners, Some Big Losers and a Lot of Belt-Tightening

By Barry James International Herald Tribune

While fortunes were lost in Monday's stock plunge and the deflationary lifestyle of some yuppies may have come to an end, not everyone got burned, analysts say.

Although the decline in stock markets knocked about \$500 billion off the price of shares in a single day in the United States alone, some of the wealthy, or merely lucky, managed to hang onto liquid assets.

Among the big losers was Harvard University, which reportedly sold a quarter of its endowment of \$4 billion on Monday. "Let's just say it wasn't a great day for the Crimson," as the university is known, a spokesman said.

And among pension funds, California's Public Employees Retirement System lost a quarter of its \$20 billion portfolio.

By contrast, Sotheby's, the international auctioneer, held its most successful jewelry sale ever this week. "There's still an awful lot of money sloshing around," a spokesman said.

The sale, in New York on Tuesday, raised \$26 million, including a short-lived record of \$3.8 million for a diamond. On Wednesday, Sotheby's main rival, Christie's, sold a diamond for \$6.8 million, raising \$19 million at its auction.

A Sotheby's spokesman said the firm was not worried about the future because its clients are discerning people "who deal as individuals, not computers." Sotheby's and Christie's have another reason not to worry — objets d'art, rugs and jewelry, like gold, are traditional hedges against inflation, and many investors fear that inflationary times are probably here.

"Investors who pulled out of the market before the sell-off are putting it into hard assets again," said Brian Elzen, a real estate broker in Aspen, Colorado.

"We are not concerned," said Trevor Kent, vice president of the National Association of Estate Agents in Britain. House prices have increased by 25 percent in London in the past year, he said, "and we've seen no indication that demand is likely to dampen."

Advertisement for Electronic Data Systems (EDS) with text: "Everything in life is timing... I decided I couldn't figure out why the market made sense, so I sold."

Richard L. Gelb, chairman of Bristol-Myers Co., said, "Current market conditions have created an excellent opportunity to strengthen the company through a purchase of a portion of its own shares."

Bristol-Myers said it would buy up to 25 million of its own shares.

A spokesman for PepsiCo said the company would repurchase stock because "it gives us the flexibility to take advantage of the attractive investment opportunities in the market."

Kenneth S. Hackel, president of Systematic Financial Management Inc. in Fort Lee, New Jersey, said a company buying back more than 5 percent of its outstanding shares could expect to see an average price run-up of 3 percent.

He said, however, that although many of the announcements make sense from a cash-flow standpoint, others do not.

"Corporate managers historically have no claim to extraordinary economic foresight and base their decisions on their most recent operating history," Mr. Hackel said. "Thus if the recent stock collapse turns out to be the precursor of a recession, the timing will have been very poor."

A company's earnings growth rate, analysts said, can to a certain extent be manipulated through a buyback, since the same amount of earnings is spread over fewer shares.

stockbrokerage firm of Phillips & Drew in London, said sales of some bigger items may be hurt by the market's decline, but "overall the effects on consumer spending are likely to be small."

He said a 20 percent decline in share prices would remove only about 0.1 percent from total consumer spending in Britain, and about 0.75 percent in the United States, where share ownership is much more widespread.

The collapse also gave much of corporate America a chance to buy back its own stock at what seemed like bargain prices, which is seen as a means of boosting staff morale and of discouraging — at least temporarily — corporate raiders.

Another possible "silver lining," according to a specialist in international economy at the Organization for Economic Cooperation and Development in Paris, is that the plunge in share prices will force corrective measures in Western economies that would have come sooner or later by perhaps even harder methods.

In the United States, he said, "The yuppie lifestyle will be contracting. This will mean less concentration on imports," particularly from West Germany and Japan, which "will have to readjust to promoting their domestic growth."

He said a stock market crisis was a less painful way of carrying out such a readjustment than a protectionist trade bill in Congress.

Perhaps the real winners were those who managed to ride the stock changes while the good times lasted and get their money out before the fall.

"Everything in life is timing," said Donald Trump, the U.S. real estate entrepreneur, who says he sold most of his \$500 million stock portfolio about six weeks ago.

H. Ross Perot, the Texas-based computer billionaire who was happily counting the losses he never made, "I decided I couldn't figure out why the market made sense, so I sold it all," he said, and put the proceeds into short-term securities.

Louis L. Goldstein, comptroller for Maryland, shifted \$4 billion of state reserves from the stock exchange to the bond market and as a result saved taxpayers \$1.3 billion. "We did what any prudent investor should have done," he said.

Jardine Terminates Offer For Stake in Bear Stearns

Compiled by Our Staff From Dispatches

NEW YORK — Jardine Strategic Holdings Ltd. of Hong Kong said Friday that it was terminating its \$393 million offer to buy a 20 percent stake in Bear Stearns Cos., one of the biggest investment firms in the United States.

Jardine cited "recent developments" as the reason. It did not elaborate, but since the agreement was announced Sept. 30 the falling stock market has wiped out nearly half of the value of Bear Stearns's common stock.

Bear Stearns, which traded at \$20 on Sept. 30, was at \$11.75 early Friday on the New York Stock Exchange, down from \$13 on Thursday and \$18 a week earlier.

Jardine had offered to pay \$23 a share for about 16.3 million shares of common stock, and \$28.72 a share for 70,000 shares of cumulative convertible preferred stock. The offer began Oct. 6 and was to expire Nov. 3.

Bear Stearns issued a statement saying it was exploring its legal options, and contended that its capital and operations had held up well during the market's collapse.

"We are sorry that Jardine apparently does not have the same confidence in our industry as we do," the statement from the executive committee said.

"Notwithstanding recent developments in the financial markets, Bear Stearns's financial position is about the same" as it was "when Jardine agreed to make its offer," said Alan Greenberg, Bear Stearns's chairman and chief executive officer.

He said the firm's capital at that time was in excess of \$1.35 billion. Bear Stearns said that, in some ways, it was stronger now than before the market crash, citing the addition to its specialist operations on the American Stock Exchange, the hiring of a number of professionals in the past two weeks and the lessening of some areas of competition.

(AP, Reuters)

NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 p.m. volume, Amex 4 p.m. volume, etc.

NYSE Index table with columns for High, Low, Close, Chge.

Friday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for Class, Prev., Chg.

NASDAQ Index table with columns for Class, Chge, Prev., Yr. Ago.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Class, Prev., Chg.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, % of Total.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for Industrials, Utilities, etc.

NASDAQ Diary table with columns for Class, Prev., Chg.

AMEX Stock Index table with columns for High, Low, Close, Chge.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 5)

Table A: 11 Month High Low Stock, Div, Yld, PE, etc.

Table B: 11 Month High Low Stock, Div, Yld, PE, etc.

Table C: 11 Month High Low Stock, Div, Yld, PE, etc.

MARKETS: Dow Up 0.33 to End Trying Week

Friday had shifted from trading to clearing up paperwork, analysts said. The market did better than people believed it would after Reagan's speech last night...

The government said Friday that the nation's real gross national product, its measure of goods and services, grew at a strong 3.8 percent rate in the third quarter...

Analysts said investors pined for the better-than-expected economic reports Friday but still were assessing whether Mr. Reagan will act to protect economic growth by reducing the twin deficits...

Volatility declined significantly on Friday compared with the previous four sessions, but was still substantial. Within one hour in late morning trading, the Dow still went from a loss of about 30 points to a gain of the same magnitude before closing nearly unchanged.

Dealers blamed the turnaround from the highs on the current trend of stock and bond prices to move in opposite directions. Investors fleeing the stock market have been pushing money into U.S. government bonds, thereby boosting their prices and knocking down their yields. But late in the morning, when stocks gained, bond prices fell and their yields rose.

Traders said the resultant fear of higher interest rates caused nervous investors to sell shares. The rise in interest rates was a primary factor in the stock market's collapse on Monday.

Navistar was the most active NYSE-listed issue, falling 1/4 to 4 1/2. AT&T followed, rising 1/4 to 300 points.

Santa Fe Southern Pacific was third, rising 3/4 to 54 1/4. The stock has been the subject of takeover speculation.

(UPI, AP)

Table D: 11 Month High Low Stock, Div, Yld, PE, etc.

Table E: 11 Month High Low Stock, Div, Yld, PE, etc.

Table E: 11 Month High Low Stock, Div, Yld, PE, etc.

Table F: 11 Month High Low Stock, Div, Yld, PE, etc.

Table F: 11 Month High Low Stock, Div, Yld, PE, etc.

Table G: 11 Month High Low Stock, Div, Yld, PE, etc.

Table G: 11 Month High Low Stock, Div, Yld, PE, etc.

Table H: 11 Month High Low Stock, Div, Yld, PE, etc.

Table H: 11 Month High Low Stock, Div, Yld, PE, etc.

Table I: 11 Month High Low Stock, Div, Yld, PE, etc.

Table I: 11 Month High Low Stock, Div, Yld, PE, etc.

Table J: 11 Month High Low Stock, Div, Yld, PE, etc.

Table J: 11 Month High Low Stock, Div, Yld, PE, etc.

Table K: 12 Month High Low Stock, Div, Yld, PE, etc.

Table K: 12 Month High Low Stock, Div, Yld, PE, etc.

Table L: 12 Month High Low Stock, Div, Yld, PE, etc.

Table L: 12 Month High Low Stock, Div, Yld, PE, etc.

Table M: 12 Month High Low Stock, Div, Yld, PE, etc.

Table M: 12 Month High Low Stock, Div, Yld, PE, etc.

Table N: 12 Month High Low Stock, Div, Yld, PE, etc.

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Table O: 12 Month High Low Stock, Div, Yld, PE, etc.

Table O: 12 Month High Low Stock, Div, Yld, PE, etc.

Table P: 12 Month High Low Stock, Div, Yld, PE, etc.

Table P: 12 Month High Low Stock, Div, Yld, PE, etc.

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KaiserTech Is in Default

OAKLAND, Calif. — KaiserTech Inc. filed for Chapter 11 protection in federal court...

MARKETS IN TURMOIL: World exchanges close out their worst week ever with further losses

Tokyo Stocks Plunge; London Loses Ground

Nikkei Falls 1,203 Yen, Its 2d-Worst Drop

By Margaret Shapiro
Washington Post Service
TOKYO — Prices on the Tokyo stock exchange nosedived again Friday in their second-biggest one-day decline despite attempts at assurance by U.S. and Japanese leaders.

Prices plummeted at other major exchanges throughout Asia as nervous investors bailed out in reaction to uncertainties Thursday in New York and London.
A speech Thursday night by President Ronald Reagan designed to calm markets appeared to have made little difference by the time the market closed, analysts said.

Tokyo stock prices rose Wednesday and Thursday following a record 3,836.48 point plunge Tuesday triggered by Monday's crash on Wall Street.
"Reagan's speech helped a little but it wasn't enough," one stock analyst said. "People wanted to see something more tangible" for dealing with the U.S. trade and budget deficits, he said.

Prime Minister Yasuhiro Nakasone of Japan sought to soothe investors. "There are ups and downs" in the market, he said, "but there is no need to worry. The general trend of the economic is not so bad."
Finance Minister Kiichi Miyazawa asserted after a cabinet meeting that the sharp downturn Friday was simply an aftereffect of Monday's losses.

Some analysts said that the Tokyo market was continuing to take its cue from Wall Street. Many investors chose to cash in their stocks rather than risk further losses following the collapse Thursday of a two-day rally in New York.

Brokers in H.K. Predict Big Drop On Reopening

HONG KONG — Many brokers said Friday that they expect another volatile session and losses of 20 to 25 percent when trading resumes Monday after a four-day suspension.

The Hang Seng index had a record drop last Monday of 420.81 points, or 11 percent, which led to the suspension.
The government said it had called in a London merchant bank, Hambro, and had held emergency meetings with financial experts to try to keep the futures market from collapsing.

Financial Secretary Piers Jacobs said that, with an estimated \$5,000 open contracts on the futures exchange, there was little time to settle on arrangements to ensure an orderly market.
Analysts said that share prices of companies closely tied to the U.S. market posted the biggest declines. Sony Corp., for example, finished nearly 200 yen lower.

Foreign investors were the biggest sellers, in part, analysts speculated, because they had to cover debts on Wall Street.
Mr. Reagan's speech and rumors of a possible settlement in the Gulf war caused a momentary halt in the Tokyo market's slide, but a massive sell-off affecting almost every stock came just before the close.

In Sydney, stock prices plunged 6.9 percent on Friday as another wave of panic selling slashed prices across the board. The All-Ordinaries index said 113.30 points to end at 1,515.60, more than 30 points below Tuesday's close and the lowest level in more than eight months.

But the decline, which followed a 58.70 point gain on Thursday, fell short of Tuesday's record one-day drop of 261 points.

Trade Figures, Rate Cut Aid U.K. Shares

LONDON — London share prices continued to spiral downward on Friday, but pulled back from early lows after good news on trade, a cut in interest rates and a relatively small decline in early Wall Street action.

The Financial Times-Stock Exchange 100-share index, which slumped to its lowest level since January shortly after the opening, closed 2.07 percent lower at 1,785.20, down 38 points from 1,833.20 on Thursday.

It had fallen 5.7 percent on Thursday.
In Frankfurt, the Commerzbank index, set at mid-session, was 2.41 percent lower at 1,666.70, a 41.20-point drop from 1,707.90 Thursday.
In Paris, the main Bourse indicator, which slipped 2.95 on Thursday, was 0.5 percent lower Friday.

The London Stock Exchange said its ruling council had decided not to cut normal trading hours. It said it did not believe closing the market for short periods would have a significant impact on volume or the settlement backlog.
Dealers said shares were pushed to their lows in the morning in anticipation that Wall Street would open weaker after a plunge in Tokyo share prices.

News that Britain's current account deficit narrowed to \$55 million in September from \$292 million in August sparked a brief rally. That rally, though, ran on a steam as some participants used the rise as an opportunity to sell.
Dealers said a cut of half-point, to 9.5 percent, in banks' base interest rates was welcome news but failed to generate a big reaction as attention was focused on Wall Street's opening.

In Frankfurt, leading West German share prices were mixed in a relatively quiet session.
(Reuters, AP)



A DOWNER — A trader on the floor of the New York Stock Exchange appears almost as depressed as the Dow Jones average after another hectic day of mostly selling.

Dollar Tumbles On G-7 Rumors

NEW YORK — The dollar declined sharply Friday in New York and Europe as sentiment was soured by lingering speculation that seven leading industrialized nations would meet to lower target zones for the dollar.

Details of the rumor by the U.S. and British treasuries did little to limit the dollar's retreat, traders said. President Ronald Reagan's promise to negotiate with Congress on the U.S. budget deficit also rang hollow for currency markets.

The dollar closed in New York at 1.7780 Deutsche marks, down nearly four pennings from 1.8175 DM at Thursday's close, and at 141.775 yen, down from 144.950.
It fell to 6.0385 French francs from 6.0635 and to 1.4705 Swiss francs from 1.5065. The dollar also retreated against the British pound, which firmed to \$1.6855 from \$1.6470 Thursday.

The dollar fell through key support levels against the mark. Its low for the day was 1.7760 DM, close to a recent low of 1.7695 DM.
"The 140 yen level is still holding," one trader said. "If it broke through 140, you'd see even heavier dollar selling."
Although rumors that the Group of Seven nations would meet were denied, traders noted that the group never announces plans to lower trading ranges for the dollar.

Table titled 'London Dollar Rates' showing exchange rates for various currencies: Sterling, Deutsche mark, French franc, Swiss franc, and Japanese yen.

U.S. Bonds Lose Early Gains as Stocks Rebound

NEW YORK — Prices of U.S. government securities closed narrowly mixed Friday in hectic trading after initial gains were erased by the stability in U.S. stock prices, dealers said.

Despite the late sell-off, bond prices were as much as 10 points higher, or \$100 for each \$1,000 in face value, from the previous Friday. Investors seeking a haven from falling stock prices worldwide were pumping money into U.S. Treasury securities.
But the credit market lost early gains of more than 2 points on Friday when the expected declines in U.S. stock prices failed to materialize.

The Treasury market got ahead of itself," said Vince O'Brien of Daiwa Securities America Inc. "It was substantially overbought and technically due for a correction."
The benchmark 30-year bond opened at 99 23/32 but then retreated to its closing level of 97 23/32, still up from 97 17/32 on Thursday. The yield eased to 9.10 percent from 9.11 percent.

Dealers traced the volatility to the stock markets. Within a single hour on Friday, the Dow Jones industrial average jumped about 30 points above Thursday's finish after having been down about the same amount. It later closed higher by less than a point.
Wall Street's rebound from early losses was helped by President Ronald Reagan's statement on Thursday that the budget deficit for the financial year that ended in September narrowed \$73 billion from a year before, dealers said.

Traders reported strong buying and selling on Friday, with foreign investors heavily involved in the activity.
Meanwhile, the credit markets were bolstered by a rise of just 0.2 percent in U.S. consumer prices last month. Also, the market found support from the report on U.S. third-quarter gross national product, which showed that by a different measure, prices rose 2.4 percent at an annual rate after rising 3.5 percent the previous quarter.

The Federal Reserve continued its recent accommodative credit policy, supplying reserves to the banking system with over-the-weekend system repurchase agreements.
The rate on federal funds, the reserves that banks trade among themselves, closed at 7.125 percent after opening at 6.875 percent, but was little changed from Thursday's average of 7.14 percent.

Friday's NYSE Closing

Table showing NYSE closing prices for various stocks, including IBM, AT&T, and others. Includes columns for stock name, price, and change.

Table showing 12-month high/low and close/open prices for various stocks.

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KaiserTech Says Clore Is in Default on Loans

OAKLAND, California — KaiserTech Limited has said that its chairman, the British investor Alan Clore, has told the Securities and Exchange Commission that he is in default on loans he took out to buy a controlling share of KaiserTech's stock.
The Oakland-based metals manufacturer said that Mr. Clore also had told the SEC on Thursday that he was holding "preliminary" discussions with "potential investors" and "equity partners," possibly aimed at selling his stake in the company.

NYSE Highs-Lows

Table showing NYSE high and low prices for various stocks.

AMEX Highs-Lows

Table showing AMEX high and low prices for various stocks.

BRITAIN: Base Rate Is Cut After Better-Than-Expected Trade

(Continued from first finance page)
perts compared with August, to \$6.9 billion. Imports dropped by 5.5 percent to \$7.9 billion.

Earnings from nonmerchandise trade were \$600 million, unchanged from August, the department said.
Official figures show that, though Britain's trade position has worsened in the past three months, the overall deficit for 1987 is unlikely to be as high as Mr. Lawson predicted in his March budget.

He forecast then a current account deficit for the year of £2.5 billion, but in the nine months to the end of September the deficit was £796 million.
In a radio interview, Mr. Lawson said he had urged the rate cut because "it was appropriate to reduce interest rates, while keeping to our cautious policy," he said.

He said that under present circumstances, nobody would worry about risks of seeing the economy overheat.
But he said, London's financial district "is not out of the woods," in view of continued violent market fluctuations.
Market analysts said that news of the narrower current account deficit may have relieved official worries about overheating in the economy.
After the Bank of England reduced its money market rates, Barclays, Midland, Lloyds and National Westminster banks quickly lowered their base rates.

BRADY: To Lead Stock Inquiry

(Continued from first finance page)
has proved wary of change. He is regarded on Wall Street as a solid, cautious investment banker whose firm has not kept up with the enormous changes that have swept the financial markets in the 1980s.

In a 1985 essay, for instance, Mr. Brady railed against the use of so-called "junk bonds" in takeovers, a technique pursued by nearly every major securities house on Wall Street. Junk bonds are high-yield securities that are below investment grade.
Nicholas Frederick Brady was born on April 11, 1930, in New York. His broad and successful career reflects a family tradition in business. A great-grandfather who arrived from Ireland during a 19th-century potato famine founded several electric utilities, some of which later became part of Consolidated Edison Co. of New York.

A grandfather founded Maxwell Motor Co., which eventually became part of Chrysler Corp., and family money helped start what evolved into Purlator Courier Corp., a filter maker and courier service company of which Mr. Brady is currently chairman.
Mr. Brady received his bachelor's degree from Yale University in 1952 and earned a master's degree in business administration from Harvard in 1954. He lives in the Somerset Hill area of New Jersey on a 4,000-acre (1,600-hectare) estate.

Mr. Brady is regarded as a solid, cautious investment banker whose firm has not kept up with the enormous changes that have swept the markets.

1952 and earned a master's degree in business administration from Harvard in 1954. He lives in the Somerset Hill area of New Jersey on a 4,000-acre (1,600-hectare) estate.
Mr. Reagan's decision to appoint the three-member task force came amid growing concern in Congress about program trading, the technique of buying and selling stocks and stock futures through computer analysis. Some lawmakers believe that this form of trading has increased the volatility of the stock market.
The New York Stock Exchange has requested that its members temporarily refrain from such trading, and many on Wall Street believe that the halt is a prelude to permanent regulations.
In Congress, at least one House committee has already announced that it will investigate the stock market plunge that sent the Dow Jones industrial average of 30 major corporations down by 508 points. On Wednesday, the Securities and Exchange Commission said it would investigate the market's collapse and volatility.
Mr. Brady, whose name was mentioned earlier this year as a possible choice to head the SEC, gained prominence in the mid-1970s for his success in reviving Dillon, Read after the firm had lost ground in the competitive Wall Street atmosphere of the 1960s.

PRECHTER: Higher Prices

(Continued from first finance page)
geometric pattern in the movement of stock prices. It is a ratio known in mathematics as the Golden Mean, expressed numerically as 1.618 to 1. The same pattern shapes the shell of the nautilus and the spiral of the Milky Way. As applied to the stock market, it has become known as the Elliott Wave Theory, after an accountant who studied market patterns in the 1930s.

He says the Golden Mean applies to all markets at all times — "Rugs, gold, bonds, you name it," Mr. Prechter said Thursday — as long as enough participants are present to set off herd instincts.
"Mass psychology," he said, "is the primary force that moves the market."
David S. Dreman, an investment adviser who has written extensively about the psychology of the marketplace, agrees with Mr. Prechter about the tendency of fashion to determine market decisions, although he scoffs at Mr. Prechter's application of crowd psychology to the bull market of the 1980s.

"Compared to many historical incidents of market mania, the collapse Monday was rather mild," Mr. Dreman said. "The market was not ridiculously out of line with underlying values. But when the fall began, it was accentuated by the new instruments we have, such as index options and program trading."
"The most famous financial panics are those where the psychology of the masses drove prices up to fantastic levels that had nothing to do with underlying value," Mr. Dreman said. In the tulip craze of 1633-37, individual bulbs sold for hundreds of dollars, he said. Families mortgaged estates to buy bulbs to sell to someone who would surely pay more.

Mr. Prechter's words carry such power because he appears to have called the broad outlines of the bull market right since 1982.

In the early 1920s, buyers acquired Florida swamp land for thousands of dollars an acre, then watched prices collapse and not recover for more than 40 years.
For Mr. Prechter, it would take just such a speculative binge to drive the markets to the top of what he sees as the current wave of expansion. In the past, such stampedes resulted from each investor listening to those standing next to him, and in the end all of them talked themselves along the same path.
Today, more than 2,000 newsletters offer advice to investors, as do hundreds of magazines, newspapers and other counselors.
Mr. Prechter claims no specialized knowledge of finance, history or economics. In fact, he does not even pretend to utilize the psychology he studied while a student at Yale University in the 1960s.
"My interest in the Elliott Wave Theory emerged from my interest in the market, not from any theory of mass psychology," he said.
After Yale, Mr. Prechter became a drummer in a rock band, then spent four years at Merrill Lynch & Co. as an analyst in New York before returning to his home state of Georgia to launch his newsletter.
"I like New York, but the weather is better here," he said.
He keeps in touch with his subscribers through the mail and over the telephone. Lately, he has ended his outside speaking and television appearances to spend more time with his wife and two children.
Mr. Prechter said he follows his own advice with the estimated \$4.5 million he takes in from his clients each year. At the moment, he is watching for the formation of the next small wave on the horizon.

U.S. Futures Via The Associated Press

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg.

Grains

Table for Grains futures: Wheat (CBT), Soybeans (CBT), Corn (CBT), Soybeans (CBT).

Food

Table for Food futures: Coffee C (NYCSE), Orange Juice (NYCSE), Soybean Meal (CBT).

Livestock

Table for Livestock futures: Cattle (CME), Feeder Cattle (CME).

Currency Options

Table for Currency Options: Philadelphia Exchange, Silver (COMEX), Gold (COMEX), Platinum (NYMEX), Palladium (NYMEX), U.S. Bills (IMM).

U.S. Treasury Bonds (CBT)

Table for U.S. Treasury Bonds (CBT): 10-year, 30-year.

Municipal Bonds (CBT)

Table for Municipal Bonds (CBT): 10-year, 30-year.

Foreign Exchange (IMM)

Table for Foreign Exchange (IMM): British Pound, French Franc, German Mark, Japanese Yen.

Metals

Table for Metals futures: Copper (COMEX), Aluminum (COMEX), Silver (COMEX), Gold (COMEX).

Industrials

Table for Industrials futures: Lumber (CME), Cotton (NYCSE), Heating Oil (NYMEX), Crude Oil (NYMEX).

Stock Indexes

Table for Stock Indexes: S&P 500, NYSE Comp. Index, Dow Jones.

Commodity Indexes

Table for Commodity Indexes: Moody's, Reuters, Com. Research.

Friday's AMEX Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect in-trades elsewhere.

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12 Month High/Low Stock

Table for 12 Month High/Low Stock: D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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Paris Commodities

Table for Paris Commodities: Sugar, Coffee, Cocoa.

Dividends

Table for Dividends: Company, Dividend, Yield.

London Commodities

Table for London Commodities: Sugar, Coffee, Cocoa.

Spot Commodities

Table for Spot Commodities: Aluminum, Copper, Nickel.

U.S. Treasuries

Table for U.S. Treasuries: Bond, Yield, Price.

London Metals

Table for London Metals: Aluminum, Copper, Nickel.

S&P 100 Index Options

Table for S&P 100 Index Options: Strike, Price, Bid, Ask.

Edelman in New Bid; Telex Fights Takeover

NEW YORK — Asber B. Edelman, a New York financier, said Friday that a group of which he is a member had acquired about 11.5 percent of the outstanding shares of Foster Wheeler Corp. and had asked the company to begin discussions on an acquisition.

DM Futures Options

Table for DM Futures Options: Contract, Price, Bid, Ask.

London Metals

Table for London Metals: Aluminum, Copper, Nickel.

DM Futures Options

Table for DM Futures Options: Contract, Price, Bid, Ask.

RUSSELL BAKER IN THE HT EVERY WEDNESDAY AND FRIDAY. URBANE WIT AT ITS SATIRICAL BEST

SHERIDAN MORLEY INVESTMENT MANAGEMENT OFFICE

Stock Small Market, Canada, United States, France, Ashland Oil, BankAmeric

# Stock Fall Will Chase Small Investors From Market, Analysts Fear

By Bill Sing  
Los Angeles Times Service

LOS ANGELES — Stunned by the Great Crash of 1929 and its aftermath, small investors by the thousands swore off investing in the stock market and never returned. After the steep market decline of 1968-70, many small investors fled stocks. The anemic but occasionally tumultuous market of the mid-1970s left many more reluctant to participate in equities.

Now, the Great Crash of 1987, and the bear market of recession that could follow, may leave small investors so chastened that, experts fear, many may cut back or quit investing in stocks and stock mutual funds for years.

"This is going to frighten off a lot of small investors, and quite a few big ones, too," said the Harvard University economist, John Kenneth Galbraith. "I suspect there will be a substantially more cautious approach to investing after this."

"The history of bear markets is that individuals stay out for quite a long time after," said Allen Sinai, chief economist for the brokerage firm Shearson Lehman Brothers.

A further flight of individuals from the market could have wide-ranging implications. The market has given millions a stake, both real and emotional, in the capitalist system, but if stocks remain in the doldrums and small investors stay away, the damage to that sense of participation may be profound.

Individual U.S. investors could reduce their use of stocks in individual retirement accounts or com-

pany savings plans. Some mutual funds may founder because of too few customers. Brokerage houses likewise could suffer. On the other hand, sales of government securities, money-market funds and insurance products could benefit.

The assets of money-market mutual funds, for example, soared a record \$9.64 billion, to \$256.84 billion, in the latest week reported, according to the Washington-based Investment Company Institute.

A small-investor pullback also would continue a decades-long trend in which institutions such as pension funds have increasingly dominated stock ownership and trading, accounting for as much as three-fourths of all shares owned.

Of course, how many small investors are discouraged will depend on whether the market can rebound from its devastating losses since Aug. 26. The 289-point rally of Tuesday and Wednesday brought many back into the market searching for bargains. Several brokerages reported strong upsurges in customer buying volume on those days.

Also, analysts say, many small investors have not left the market because they have not been hurt that badly. This is because they tend to invest in stocks of smaller companies and in mutual funds, both of which have fared better than the blue-chip issues that make up the Dow Jones industrial average.

Small investors who have been in the market since 1982, when the bull market began, also may stay in, noted John Markese, director of research for the American Associa-

# Investors Sue Bear, Stearns, Alleging Firm 'Panicked'

Compiled by Our Staff From Dispatches

NEW YORK — A group of investors sued the brokerage Bear, Stearns & Co. for \$100 million on Friday, charging that the giant Wall Street firm panicked during Monday's stock market collapse. The suit is expected to be the first of many.

The plaintiffs are Romano-Windy City Partners Ltd. and East Wind Associates Ltd., partnerships based in Boca Raton, Florida, and Stephen Lawrence, who holds a majority interest in both. In a filing in Manhattan federal court, they alleged that the brokerage "fraudulently" sold the plaintiffs' stock at the lowest prices of the day and without notifying them of margin calls. A Bear Stearns spokeswoman said the company would not comment.

The unprecedented crash of stock trading this week has overtaxed not only the computers that operate the major exchanges but the humans who carry out orders.

The securities industry insists it has received relatively few formal complaints and that the system is performing well under what are unprecedented circumstances. But officials admit to severe problems.

Brokerage houses, faced with as many as quadruple the usual number of calls from clients, have thrown vice presidents and secretaries into the breach to confirm orders and apologize to customers well into the evening.

The crunch apparently hit extra hard at discount brokerages, where fees are lower but no investment advice is offered and brokers often have between 300 and 400 customers each. (Reuters, LAT)

tion of Individual Investors. They are still ahead, since the Dow average is still more than double its low of 776.92 on Aug. 12, 1982, he said. But those who invested within the past three or four months and who consequently lost the most from Monday's crash, may not come back for a long time.

During the middle and late 1960s, known as the "go-go" years, many investors were drawn into the market by rising stock prices that were driven by speculation and a conglomerate merger movement.

But the ensuing bear market, along with another in 1973-74 and the inflation that followed, made stocks a generally poor investment in the 1970s. That discouraged

small investors that the number of individuals who owned stock or stock mutual funds fell 18 percent in 1975, to 23.27 million from 30.85 million in 1970, according to the New York Stock Exchange.

Individual ownership of stock or stock mutual funds has recovered since and is now total about 47 million people; about one in four adult Americans. But the bulk of that growth came through investing in mutual funds, as individuals refrain from owning stocks directly due to a desire for greater diversification and professional management, fear of the market's volatility and a perception that professional traders have unfair advantages.

# SCENE: Explaining the Irrational

(Continued from first finance page)

Iranian Silk-worm missile hit a Kuwait installation Thursday, hurt the market. "All the news is why I'm sitting on the sidelines," said Ken Schiff, a 36-year-old real estate syndicator in Manhattan. He said that the tensions and fighting in the Middle East were "a constant."

Mr. Schiff and many others said that the U.S. government had to move to reduce the "twin deficits," the budget and trade deficits. But they were not yet sure, despite the president's avowal that he was now willing to listen to Congress' budget proposals, that Mr. Reagan was yet ready to compromise enough.

One point of strength in the market has been the relative stability of the dollar. Statements last week by Treasury Secretary James A. Baker 3d alarmed the market, driving stocks down. George Soros, the wealthy head of the Quantum Fund, said he was deeply troubled by news reports that Mr. Baker was planning (or allowing or threatening) to let the dollar slide if the West German government did not hold its interest rates down.

Mr. Soros considered this "utterly stupid." He hedged his bets by buying Japanese yen and other foreign currencies. But Mr. Baker sub-

sequently denied that the United States had adopted a new policy setting lower rates for the dollar against the Deutsche mark. He said that the Group of Seven agreement reached in Paris in February was still in effect. This helped to steady the market earlier this week.

Many people say that the U.S. economy is sound but that national leadership is weak. Some call Mr. Reagan a lame duck. Geoffrey Bell, president of Geoffrey Bell & Co., an international economic advisory concern, said he doubted that enough would be done to calm the bond, foreign exchange and stock markets.

That, he said, would take a two-percent-point rise in the Federal Reserve's discount rate and serious action on the budget deficit. "The end result," he added, "will be even higher interest rates in 1988 than would be necessary if decisive action were taken now. The big question then becomes whether a recession can be avoided in late 1988 or in 1989, and I am becoming increasingly pessimistic on that score."

## Moon Shots

Between 1962 and 69 there was a massive bull market in technologies related to getting men to the moon and developing electronic defense systems. While the public was having its lunar crash, on one-to-one basis there was a market that will have more impact than Apollo — the sale of a \$75 billion program that will use more money than the Vietnam war. Here comes another boom just as most investors were exiting a bull, and we'll supply complimentary coverage if you'll phone, tele or write.

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## EC Consumer Prices Up 0.2% in September

BRUSSELS — Consumer prices in the European Community rose 0.2 percent in September and 3.3 percent from the year-earlier month, the EC reported Friday.

It said the rise was moderate because of low rates in West Germany, Belgium, France and Luxembourg.

**Friday's OTC Prices**  
NASDAQ prices as of 2 p.m. New York time.  
Via The Associated Press

12 Month High	Low	Stock	Div. Yld.	1986 High	Low	2 P.M. Close	Net Chg.
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
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29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
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29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
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29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
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29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
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29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
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29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0
29 1/2	29 1/2	AAWBd		29 1/2	29 1/2	29 1/2	0

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U.S.A.

**Company Results**  
Revenue and profits or losses in millions, are in local currencies unless otherwise indicated.

Company	1987 Revenue	1987 Profit	1986 Revenue	1986 Profit
Imperial Oil	2,100	150	2,000	140
Imperial	1,200	80	1,100	70
Imperial	900	70	900	70
Imperial	1,000	80	1,000	80
Imperial	1,100	70	1,100	70
Imperial	1,200	80	1,200	80
Imperial	1,300	90	1,300	90
Imperial	1,400	100	1,400	100
Imperial	1,500	110	1,500	110
Imperial	1,600	120	1,600	120
Imperial	1,700	130	1,700	130
Imperial	1,800	140	1,800	140
Imperial	1,900	150	1,900	150
Imperial	2,000	160	2,000	160
Imperial	2,100	170	2,100	170
Imperial	2,200	180	2,200	180
Imperial	2,300	190	2,300	190
Imperial	2,400	200	2,400	200
Imperial	2,500	210	2,500	210
Imperial	2,600	220	2,600	220
Imperial	2,700	230	2,700	230
Imperial	2,800	240	2,800	240
Imperial	2,900	250	2,900	250
Imperial	3,000	260	3,000	260
Imperial	3,100	270	3,100	270
Imperial	3,200	280	3,200	280
Imperial	3,300	290	3,300	290
Imperial	3,400	300	3,400	300
Imperial	3,500	310	3,500	310
Imperial	3,600	320	3,600	320
Imperial	3,700	330	3,700	330
Imperial	3,800	340	3,800	340
Imperial	3,900	350	3,900	350
Imperial	4,000	360	4,000	360
Imperial	4,100	370	4,100	370
Imperial	4,200	380	4,200	380
Imperial	4,300	390	4,300	390
Imperial	4,400	400	4,400	400
Imperial	4,500	410	4,500	410
Imperial	4,600	420	4,600	420
Imperial	4,700	430	4,700	430
Imperial	4,800	440	4,800	440
Imperial	4,900	450	4,900	450
Imperial	5,000	460	5,000	460
Imperial	5,100	470	5,100	470
Imperial	5,200	480	5,200	480
Imperial	5,300	490	5,300	490
Imperial	5,400	500	5,400	500
Imperial	5,500	510	5,500	510
Imperial	5,600	520	5,600	520
Imperial	5,700	530	5,700	530
Imperial	5,800	540	5,800	540
Imperial	5,900	550	5,900	550
Imperial	6,000	560	6,000	560
Imperial	6,100	570	6,100	570
Imperial	6,200	580	6,200	580
Imperial	6,300	590	6,300	590
Imperial	6,400	600	6,400	600
Imperial	6,500	610	6,500	610
Imperial	6,600	620	6,600	620
Imperial	6,700	630	6,700	630
Imperial	6,800			



SPORTS

NFL's Regulars Are Back

Bears' McMahon, Shoulder Healed, Joins Them

By Michael Janofsky
NEW YORK — Players came and went during the National Football League strike, and some teams weathered the four-week interruption better than others.

NFL PREVIEW

Dallas Cowboys (3-2) at Philadelphia Eagles (1-4): Both teams were 1-1 before the strike. The Cowboys would seem to have an advantage in that Danny White and Tony Dorsett have played.



Jim McMahon
... 'I feel ready to play'

addition of several players from the replacement team. San Francisco 49ers (4-1) at New Orleans Saints (3-2): The 49ers won all their strike games, due in large part to Joe Montana and Dwight Clark. But they didn't exactly destroy anybody as the 49ers of bygone years did.

NATIONAL CONFERENCE

St. Louis Cardinals (2-3) at New York Giants (0-3): The Giants are not quite mathematically out of the playoffs. Psychologically, it's a different story, and the Cardinals are one of the teams capable of an upset now and again.

AMERICAN CONFERENCE

Buffalo Bills (2-3) at Miami Dolphins (2-3): Real or replacement Dolphins, one thing never seems to change: They have trouble stopping people. That should make for quite an entertaining game here because the pre-strike Bills didn't stop anybody, either. Also, fans watching

this game will see two of the biggest money-losers of the strike in Dan Marino and Jim Kelly, the quarterbacks. Cincinnati Bengals (2-3) at Pittsburgh Steelers (3-2): Both were 1-1 before the strike and seem close in ability. Of the two, however, the Steelers gave more indications of better things to come, their quarterback, Mark Malone, notwithstanding. By virtue of a 30-17 victory over the 49ers on opening day, the Steelers showed what's possible.

Seattle Seahawks (3-2) at Los Angeles Raiders (3-2): The Raiders, 2-0 pre-strike, were the class team of the conference, having given up just a touchdown. Now, they may be even better with Bo Jackson available at running back. The Seahawks were 1-1, with a bad loss to Denver.

New England Patriots (3-2) at Indianapolis Colts (2-3): Colts Coach Ron Meyer coached the Patriots for two and a half seasons. That should help him understand why the Colts will lose.

INTERCONFERENCE

New York Jets (3-2) at Washington Redskins (4-1): Only a 21-20 loss to the Falcons before the strike has kept the Redskins from a perfect record, making them a scary proposition for the Jets, who were 2-0 before the strike. What's more, the Redskins coaches were so impressed with their replacement team that they kept 17 players.

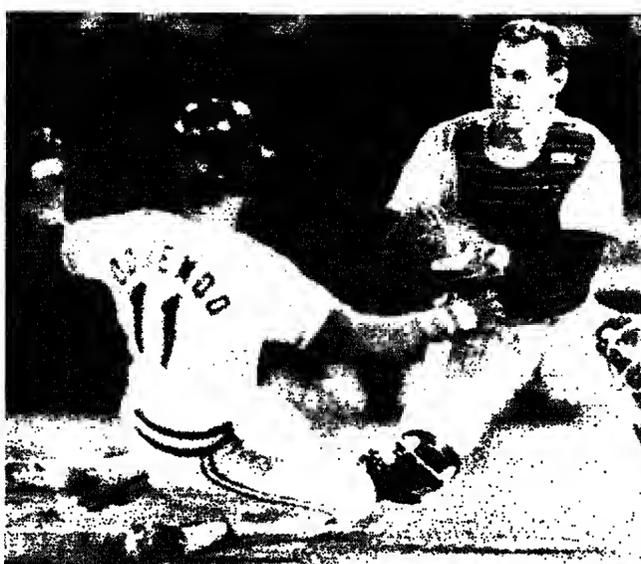
Atlanta Falcons (2-3) at Houston Oilers (3-2): This is the first meeting of the season between two teams that have threatened to move to Jacksonville, Florida. The Oilers were a 2-0 before the strike; the Falcons, 1-1.

Deaver Broncos (3-1-1) at Minnesota Vikings (2-3): If the World Series goes to a seventh game, this game will be played Monday night, as if that should make a difference. Despite the Broncos' 1-0-1 start, compared with 2-0 for the Vikings, the Broncos resemble their Super Bowl selves far more than the Giants do.

MONDAY NIGHT

Cleveland Browns (3-2): The regular Browns haven't won and don't seem to have a chance. Eric Dickerson complaining (again) that he's underpaid and the offense fairly sluggish before the strike.

Cardinals Scratch Out 3d Victory, Need One More



Minnesota catcher Tim Laudner preparing to tag Jose Oquendo after a squeeze play failed in the fifth inning of the fifth game. But St. Louis scored three in the sixth and won, 4-2.

By Joseph Durso
ST. LOUIS — Danny Cox, the big-game pitcher for the St. Louis Cardinals, pitched an absolutely big game Thursday night as the Cardinals swept their third straight from the Minnesota Twins and moved within one victory of winning the 84th World Series.

WORLD SERIES: GAME 5

Cox stopped the Twins on five singles into the eighth inning, out-dueling Bert Blyleven, then got relief from Ken Dayle and Todd Worrell as the Cardinals won, 4-2, and took the lead in the series, three games to two. And they did all their winning on three losing evenings at home after rousing the first two games in the Twins' noisy rooftop yard in Minneapolis.

The series returns to the Metrodome on Saturday. The Cardinals did it Thursday with a dashy mix of base-stealing, clutch hitting, and instant stardom. Vince Coleman stole two bases for a total of six in the series, and Curt Ford, a part-time outfielder, became the newest instant star when he singled home two runs in the sixth inning.

"Cox might come back and start the seventh game," said Whitey Herzog, the Cardinals manager.

Whozzat? A Writer Ponders an Anonymous Series

Randy Bush, Curt Ford and 400 Infield Hits Are Somehow Less Than Thrilling

Washington Post Service
ST. LOUIS — Sitting here, struggling to select the right word, the precise word to describe the essence, the soul of this World Series, the best I can come up with so far is: "Who?"

VANTAGE POINT/Tony Kornheiser

There'll be a lot of dents in his helmet. That's the kind of series it's been. The losers are insulted by who's beating them. No names. Oquendo, Oquendo, Boquendo, Bananana-Fofoendo. Fee-fo-Momendo. Oquendo. Now let's do Lombardozzi. Speaking of Lombardozzi, in Game 1 both No. 8 hitters named ended in -ozzi, Lombardozzi and Pagnozzi. How often does that happen? Lombardozzi hit a home run, a doozy by Dozzi.

North Korea Sees 'Gloomy' Olympic Prospects

The Associated Press
TOKYO — North Korea said today that the prospect of cooperation with South Korea to host the 1988 Olympics was "gloomy" and asked the International Olympic committee to postpone bilateral talks until after South Korea's presidential elections in December.

Soviet Men Win World Gymnastics

The Associated Press
ROTTERDAM — Dmitri Bilozerchev, making a comeback after a broken leg, has paced the Soviet gymnasts to another team title at the world gymnastics championships.



Tim Dagggett crying in pain after breaking his leg at the world gymnastics championships.

SCOREBOARD

Table with 3 columns: Gymnastics, Baseball, European Soccer

Table with 3 columns: World Championships, World Series, Hockey

Table with 3 columns: NHL Standings, WALETS CONFERENCE, Adams Division

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POSTCARD

The New Brown Derby

By Steve Harvey
Los Angeles Times Service
LOS ANGELES — Anthony de Pasquali of Hartford, Conn., spotted the Brown Derby sign at the corner of Hollywood and Vine — and immediately thought of home.

Britt, a publisher's representative. "When I said so, she asked if I was somebody she should know." But, even if the stars were present only in photos and drawings, the memories were enough for some.

Timothy Crouse, Anything Goes

By Lois Romano
Washington Post Service
NEW YORK — Timothy Crouse stepped off the campaign bus four elections ago, and at least in political circles, he's scarcely been heard from since.



Timothy Crouse

For a few years following the book, Crouse wrote a column on politics and the media for Esquire, then did more work for Rolling Stone. After that, he retreated to Gloucester, Massachusetts, to decide on a different career path.

PEOPLE
Jockey Jailed in Tax Case

Lester Piggott, the former champion jockey, was sentenced to three years in jail on Friday after pleading guilty to evading income tax on \$3.1 million (about \$5.1 million) of earnings. A successful trainer since retiring from racing in 1985, Piggott, 51, was sentenced at Ipswich Crown Court, where Anthony Holden, the prosecutor, said the case involved a "massive evasion of corporation and income tax over a period of more than 10 years."

Thirty paintings by Noel Coward went on show in London Thursday. The pictures, mostly colorful landscapes and marine views such as "The White Cliffs of Dover" and beach scenes in England and Jamaica where he had a vacation home, will be sold in London Feb. 18 to benefit theatrical charities. Auctioneers Christie's said they expect to raise nearly \$500,000. Graham Payne, Coward's friend and executor, said the playwright had advice from several artist friends and he always painted indoors from memory. "Noel tried painting outdoors once, at St. Margaret's Bay in Kent, but he couldn't stand the wind and the flies," Coward, who was 73 when he died in Jamaica in 1973, didn't sell his paintings, but gave some away as gifts. Payne said that after the February sale will distribute the Coward works that has remained among theatrical museums in Britain and the United States.

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Jim McMahon led to victory over Tam the first game after players' strike.